

# WHAT'S NEXT FOR LEBANON? EXAMINING THE IMPLICATIONS OF CURRENT PROTESTS

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## HEARING BEFORE THE SUBCOMMITTEE ON THE MIDDLE EAST, NORTH AFRICA, AND INTERNATIONAL TERRORISM OF THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES ONE HUNDRED SIXTEENTH CONGRESS

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## **WHAT'S NEXT FOR LEBANON? EXAMINING THE IMPLICATIONS OF CURRENT PROTESTS**

**Tuesday, November 19, 2019  
House of Representatives,  
Subcommittee on the Middle East,  
North Africa, and International  
Terrorism,  
Committee on Foreign Affairs,**

*Washington, DC*

The committee met, pursuant to notice, at 2:14 p.m., in room 2172, Rayburn House Office Building, Hon. Theodore E. Deutch (chairman of the subcommittee) presiding.

Mr. DEUTCH [presiding]. This hearing will come to order.  
Welcome, everyone.

The subcommittee is meeting today to hear testimony on the political, economic, and security environment in Lebanon in light of the ongoing public protests and calls for reform.

I thank our witnesses for appearing here today.

I note we are expecting further votes this afternoon. We are going to do our best to have as robust a hearing as we can, get to as many member questions as possible.

I will now recognize myself for purposes of making an opening statement before turning it over to the ranking member for the same purpose.

Since mid-October, massive protests have spread throughout Lebanon and brought more than a million people into the streets. Although triggered by a proposed tax on the messaging service WhatsApp, the demonstrations rapidly expanded to criticize government corruption and to question the pillars of the Lebanese political system.

In the last few months, major protests have also developed in Iraq, Egypt, Algeria, and Iran. Although driven by country-specific and local issues, these demonstrations share a common theme—frustration with unemployment, corruption, and a lack of political and economic opportunity.

In Iran, the regime has responded with violence, reportedly killing at least a dozen people and injuring approximately a thousand and by shutting down the internet. This repression is shameful, and Congress stands with all of those peacefully protesting in Iran and throughout the region and condemns violent crackdowns on peaceful free expression.

The peaceful leaderless protests in Lebanon are largely driven by youth and women. Unlike the 2005 demonstrations that launched the Cedar Revolution, the current demonstrations transcend sectarian divisions and are animated by unifying national themes.

They are larger and more comprehensive than the 2015 protests that focused on the Lebanese government's inability to provide basic services, like trash collection.

Amid these protests, Lebanon faces a dire economic crisis which prompted government officials to declare an economic State of emergency in September. Lebanon's debt-to-GDP ratio is more than 150 percent, one of the highest in the world. Lebanese banks have been intermittently closed for weeks and place limits on customer withdrawals.

The government has been unable to implement reforms that would allow it to access the nearly \$11 billion in economic assistance promised by the international community in 2018. Economic stagnation in Lebanon helped spark the protests last month, and the deteriorating economy could compound public frustrations in the coming weeks.

Faced with this fluid situation, the United States should refrain from any actions that could destabilize Lebanon. Yet, on October 31st, the National Security Council and the Office of Management and Budget placed an indefinite and unexplained hold on \$105 million in critical security assistance to the Lebanese Armed Forces. They did so against the recommendations of both the State Department and the Defense Department, and in opposition to the explicit direction of Congress.

I share serious concerns about Hezbollah's massive rocket and missile arsenal in Lebanon and the LAF's inability to prevent Hezbollah's military buildup and dangerous activities on Lebanon's borders that threaten our partners. Rather than protect Lebanon, Hezbollah, with Iranian support and direction, and its advanced weapons, make the Lebanese people less safe.

But I am also concerned when wholesale generalizations of LAF collaboration with Hezbollah are made. Pentagon officials claimed, and I quote, "The Lebanese Armed Forces have consistently had the best end-use monitoring reporting of any military that we work with, meaning that the equipment that we provide to the Lebanese Armed Forces, we can account for it at any given time." Closed quote.

Former CENTCOM Commander, General Joseph Votel, testified before Congress in February 2018 that, "Since our security assistance began, Lebanon has maintained an exemplary track record for adhering to regular and enhanced end-use monitoring protocols. We are confident the LAF has not transferred equipment to Hezbollah."

The United States must continue to vigorously enforce mechanisms to ensure that no equipment provided to the LAF winds up in Hezbollah hands. U.S. training to help professionalize the Lebanese Armed Forces provides a bulwark against rogue individuals who might be persuaded to turn a blind eye to Hezbollah.

On November 8th, Foreign Affairs Committee Chairman Engel and I sent a letter to the administration raising concerns about the pause in assistance and requesting details by November 15th. The administration has not provided a response. A continued freeze on assistance threatens to undermine the LAF, a non-sectarian, national institution that is strongly supported by the Lebanese public.

It also weakens the LAF's ability to counter threats to Lebanon's security, including extremist groups like ISIS and al-Qaeda.

It also sends the wrong message at a time when many of our partners are questioning our commitment to the region after President Trump's reckless withdrawal from Syria. Slowing the delivery of assistance allows adversaries, like Hezbollah and Iran and Syria and Russia, to make inroads in Lebanon by raising doubts about U.S. credibility. The administration should release its hold and resume assistance to the Lebanese Armed Forces, ensuring accountability and a continuation of comprehensive end-use monitoring protocols which will prevent our rivals from establishing a foothold in Lebanon.

Looking ahead, the demonstrators in Lebanon are demanding wholesale political reform, a technocratic and non-sectarian cabinet, a new electoral law, and early elections. The United States should support these goals and discourage any violence against the protesters.

However, we must refrain from intervening directly. Protesters have broadly rejected outside support, and given Lebanon's history, remain skeptical of external intervention. We should be clear that these are Lebanese protests driven by a wide array of Lebanese people who want transparent governance, accountable institutions, and a peaceful, prosperous future.

I look forward to the testimony of our witnesses, their assessment of the protests, and suggestions for the way forward in Lebanon.

And with that, I will yield to Mr. Wilson for his opening statement.

MR. WILSON. Thank you, Chairman Ted Deutch, for calling this important and timely hearing.

For over a month now, the courageous people of Lebanon have taken to the streets demanding an end to the endemic corruption and sectarianism that have paralyzed their country for far too long. In a country like Lebanon, which has been divided, sadly, socially and politically along strict sectarian lines, these recent protests are historic. It is not just a protest of one community against another or one political interest over another. Citizens from all sects, from every corner of the country, have joined in these protests. They are a rejection of the entire political establishment and class. These protests are, in effect, a popular vote of no confidence, not just in the current government, but in the entire Lebanese political system writ large.

These unprecedented, countrywide protests ultimately led to the resignation of Prime Minister Saad Hariri last month, but this announcement did not quell the protesters. In line with their now famous slogan of, quote, "All of them means all of them," end of quote, the people of Lebanon have continued their demands that all of the country's sectarian party leaders resign. What they want is an overhaul of the entire political structure, not the resignation of a single individual.

The ongoing protests in Lebanon present both challenges and opportunities for U.S. policy. On the one hand, it is difficult to assess exactly what kind of Lebanese government will emerge out of these largely leaderless, grassroots protests. What political solution will

be acceptable to the people in the streets? How will that affect the U.S.-Lebanon bilateral relationship? How can we guarantee that the malign actors, including Hezbollah, will not exploit a potential political transition to come?

On the other hand, these protests offer a major potential opportunity for the United States. The energy behind these protests signals a real desire among Lebanese of all ages to see a Lebanon free of many of the burdens of sectarianism that have held it back so long. They offer a momentum for change in Lebanon that has not been seen since its establishment.

These protests also are very troubling for the Iranian oppressors. Taken together with the ongoing protests in neighboring Iraq, and also in Iran, it appears the people of the Middle East are beginning to chafe under the yoke of their Iranian oppressors. For the first time ever, we see Shiites in southern Lebanon openly protesting Hezbollah and criticizing its political leaders and allies. Hezbollah is always trying to paint itself as separate from the political class over which it has maintained a stranglehold in recent years. Its leaders and propaganda have, instead, made efforts to identify the terrorist group with the Lebanese people, not the defunct political establishment. But these protests have put a wrench in the Iranian proxy's designs.

Hezbollah leader, Hassan Nasrallah, played the wrong hand—dismissing protests as a hostile plot by Western and Israeli governments, instead of supporting the public outcry. This confirmed to many that Hezbollah is, in fact, part and parcel of the Lebanese political establishment that cannot be trusted. We can only hope that as this movement progresses more and more support for Hezbollah diminishes in Lebanon.

I look forward to hearing from our distinguished witnesses today about how the United States can facilitate a positive outcome for the people of Lebanon, and specifically, what Congress can do in a bipartisan manner.

Thank you again, Mr. Chairman, and with that, I yield back.

Mr. DEUTCH. Thank you, Mr. Wilson.

I will now recognize members of the subcommittee for 1-minute opening statements, should they choose to make one.

Mr. Sherman, you are recognized.

Mr. SHERMAN. We stand with the people of Lebanon. We stand with the people of Iran.

I look forward to working with members of the subcommittee on legislation I am working on, which I have tentatively titled, "the Hezbollah Leadership Corruption Disclosure Act," which would use the intelligence community's capacities to determine what assets are owned around the world by Hezbollah leadership and disclose that. Because every villa disclosed, every French chalet disclosed is a nail in the coffin of a violent and corrupt terrorist organization.

I yield back.

Mr. DEUTCH. All right. Thank you, Mr. Sherman.

Mr. Chabot is recognized for 1 minute.

Mr. CHABOT. Thank you, Mr. Chairman.

As a former chairman of this committee myself, I have followed Lebanon very closely for some time now. The protests over the last several weeks show that the Lebanese people are fed up with the



systematic corruption by the Lebanese government, to the point that protests have transcended sectarian differences.

To date, Lebanon has been unable to enact necessary, and now urgent, if politically difficult, economic reforms, even with the generous international aid package waiting. Now is an excellent opportunity for Lebanon to actually make those reforms and get its fiscal house finally in order.

The protests referred to by our chairman are also a sign that the Lebanese people have had enough of Hezbollah, a completely corrupt organization, which, hopefully, 1 day will be cast out by the Lebanese people. They deserve so much better.

I yield back.

Mr. DEUTCH. Thank you, Mr. Chabot.

Mr. Pence, you are recognized for 1 minute, should you wish. Should you wish, or we can go to the witnesses.

All right. Without objection, all members may have 5 days to submit statements, questions, and extraneous materials for the record, subject to the length limitations of the rules.

And I will now introduce the witnesses.

Ms. Carla Humud is an analyst in Middle Eastern affairs at the Congressional Research Service. She covers Syria, Lebanon, and the Islamic State for the Middle East-Africa section of CRS's Foreign Affairs, Defense, and Trade Division.

Ms. Mona Yacoubian is the senior advisor for Syria, Middle East, and North Africa at the United States Institute of Peace. Prior to joining USIP, she served as Deputy Assistant Administrator in the Middle East Bureau at the United States Agency for International Development, from 2014 to 2017, where she had responsibility for Iraq, Syria, Jordan, and Lebanon. She previously worked on Middle East and North Africa issues at the Stimson Center at USIP and at the State Department's Bureau of Intelligence and Research. Her current research focuses on conflict analysis and prevention in the Middle East. Ms. Yacoubian earned an MPA from Harvard's Kennedy School of Government and a BA from Duke University.

Ambassador Jeffrey Feltman is the John C. Whitehead Distinguished Visiting Fellow in International Diplomacy in the foreign policy program at the Brookings Institution and a senior fellow at the U.N. Foundation. From July 2012 until his April 2018 retirement, Ambassador Feltman has served as United Nations Under-Secretary-General for Political Affairs. Before joining the United Nations, Mr. Feltman was a U.S. Foreign Service Officer focusing largely on the Middle East and North Africa. Ambassador Feltman served as Assistant Secretary of State for Near Eastern Affairs, U.S. Ambassador to Lebanon, and a variety of posts across the Middle East. He is the recipient of two Presidential Service Awards and several State Department Superior Honor Awards.

And finally, Ms. Hanin Ghaddar is the Inaugural Friedmann Visiting Fellow at the Washington Institute for Near East Policies, Geduld Program on Arab Politics, where she focuses on Shia politics throughout the Levant. She is the long-time managing editor of Lebanon's NOW News website, and has also contributed to a number of U.S.-based magazines and newspapers, including The New York Times, on foreign policy. Prior to joining NOW, Ms. Ghaddar wrote for several Lebanese newspapers.

Thanks to our really esteemed panel for being here today.

And let me remind the witnesses to please limit your testimony to 5 minutes. Without objection, your prepared written statements will be made part of the hearing record in their entirety.

We are really grateful for all of you taking the time to join us. Ms. Humud, you are recognized for 5 minutes.

**STATEMENT OF CARLA E. HUMUD, ANALYST IN MIDDLE  
EASTERN AFFAIRS, CONGRESSIONAL RESEARCH SERVICE**

Ms. HUMUD. Thank you, Chairman Deutch, Ranking Member Wilson, members of the committee, for inviting me to testify today about the situation in Lebanon on behalf of the Congressional Research Service. I will summarize my written statement by speaking briefly about the domestic issues that have sparked the protests, the challenges faced by the main actors in Lebanon, and policy questions for the United States.

The resignation of Lebanese Prime Minister Saad Hariri on October 29th followed nearly 2 weeks of nationwide mass protests, described as potentially the largest in Lebanese history. The movement reflects broad dissatisfaction with what protestors describe as government corruption, ineptitude, and economic mismanagement.

Protestors have cited the State's failure to consistently provide basic goods and services, including water, electricity, garbage collection, as well as fair access to jobs and educational opportunities. Protestor demands include the appointment of a new government of independent technocrats, early elections, a new electoral law, the return of what they describe as looted public funds, and a fundamental change to Lebanon's sectarian-based political system.

The outcome of the protest movement will be shaped by decisions made by four players, including the protestors, the political elite, the army, and Hezbollah. The protestors face the challenge of sustaining momentum as government formation is delayed potentially for weeks or months. While the movement has been leaderless thus far, protestors must decide whether to risk fragmentation, but potentially gain greater influence by selecting representatives that can negotiate with the government on specific policy issues.

Lebanese political elites face the task of appearing responsive to widely held political grievances while avoiding concessions that could significantly undermine their hold on power. They may consider the possibility of co-opting or waiting out the movement. They could also attempt to divide it by using loyalist groups to cause disruption and introduce a sectarian element, some of which we have already seen.

The Lebanese army must balance pressure from political elites to clear protestors from key roadways and infrastructure against its longstanding reputation as a neutral body and its policy of non-interference in political disputes.

Hezbollah has expressed support for some protestor demands while also working to preserve the political status quo from which it benefits. Hezbollah, like other key players, is not necessarily a unitary actor in this conflict. Some Hezbollah supporters have participated in protests while others have deployed to the streets and targeted demonstrators. Hezbollah seeks to focus the debate around issues such as State corruption and away from core issues

such as whether Hezbollah should preserve weapons outside of State control.

These actors are operating against the backdrop of a major economic crisis and the risk of the government defaulting on its debt, adding additional urgency to the cabinet-formation process. All of this raises questions for the United States regarding how the U.S. should prioritize different, potentially competing policy goals, at a time of domestic uncertainty in Lebanon.

Successive U.S. administrations have identified several core policy goals for Lebanon. These have included:

One, reducing the influence of Hezbollah and Iran via efforts to strengthen Lebanese State institutions. This includes supporting the LAF's ability to extend State control throughout the country, especially in Hezbollah strongholds in southern Lebanon.

Two, strengthening Lebanon's border security and counterterrorism capabilities, in light of spillover from the conflict in neighboring Syria and the movement of fighters linked to Al-Qaeda and the Islamic state.

Finally, preserving stability in Lebanon and, in particular, alleviating the impact of the more than 1 million Syrian refugees currently residing in the country.

Congress has appropriated funds aimed at the policy objectives outlined above while also placing certification requirements on U.S. assistance funds to prevent their misuse or transfer to Hezbollah or other designated terrorist groups.

Until now, Hezbollah operations targeting Israel, the infiltration of Sunni extremist groups from neighboring Syria, and social tensions between refugees and host communities had been the primary potential sources of instability in Lebanon. The domestic protest movement which calls for a fundamental shift in Lebanon's political system adds a new element.

In light of the fluid situation in Lebanon, U.S. policymakers may debate how to best strike a balance between encouraging broad reform, preserving stability, and countering Hezbollah, and how to prioritize these objectives, if and when necessary.

This concludes my brief remarks, and I look forward to your questions.

[The prepared statement of Ms. Humud follows:]



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**TESTIMONY**

Statement of

**Carla E. Humud**

Analyst in Middle Eastern Affairs

Before

Committee on Foreign Affairs

Subcommittee on Middle East, North Africa and International Terrorism

U.S. House of Representatives

Hearing on

## **“What’s Next for Lebanon? Examining the Implications of Current Protests”**

November 19, 2019

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## Overview

Lebanon, a country of 6.5 million people, has long faced challenges of political divisions, economic instability, and intervention by external actors. The country's 15-year civil war, fought from 1975 to 1990, entrenched a political system based on sectarian identity. The presence of Syrian military forces from 1976 to 2005, allowed Damascus to exert significant influence over Lebanon's foreign and domestic policies and weakened Lebanese state institutions. The presence of Israeli forces in southern Lebanon from 1982 to 2000 and the subsequent emergence of Hezbollah resulted in enduring tension in the border area, which is patrolled by the United Nations Interim Force in Lebanon (UNIFIL). Hezbollah—a U.S.-designated Foreign Terrorist Organization backed by Iran that operates as both an armed militia and a political party within Lebanon—continues to undermine state authority and engage in periodic clashes with Israel, at significant cost to civilians in both states. As a result of the civil war in neighboring Syria, Lebanon hosts the highest per capita number of refugees in the world, which has placed increasing strain on a national infrastructure that was already weakened by war and inadequate state investment.

U.S. policy in Lebanon aims to counter the influence of Iran, Syria, and Hezbollah, secure Lebanon's border against the flow of weapons and militant groups, and preserve domestic stability. In pursuit of these goals, the United States has sought to strengthen the Lebanese Armed Forces (LAF), along with other state institutions.<sup>1</sup> This approach has generated debate within Congress, between those who view the LAF as key to countering Hezbollah and those who argue that U.S. assistance to the LAF risks falling into the hands of U.S. adversaries. The United States has also used targeted economic sanctions to degrade Hezbollah's capabilities, dismantle its global financial network, and deny it access to the international financial system.<sup>2</sup>

In October 2019, a mass protest movement unifying disparate sectarian, geographic, and socioeconomic sectors of Lebanese society around demands for political and economic reform resulted in the resignation of the Lebanese government. While the movement remains active, its durability—and the ability and/or willingness of the government to implement reforms—is still unknown.

The current political moment in Lebanon appears to present both opportunities and risks. On the one hand, the movement could prompt reforms to a political system widely viewed as ineffective and corrupt, thus bolstering long-term domestic stability and possibly creating new opportunities for U.S.-Lebanese partnership. On the other hand, the movement also risks prompting renewed civil conflict if it leads to large-scale violent confrontations or generates a security vacuum that leads Lebanese citizens to fall back

Figure 1. Lebanon



Source: CRS.

<sup>1</sup> The United States also has worked to strengthen the capabilities of the Lebanese Ministries of Interior and Justice, Higher Judicial Council, and Internal Security Forces (ISF) to respond to criminal and terrorism offenses that threaten stability.

<sup>2</sup> Testimony of Michael Ratney, Deputy Assistant Secretary of State for Near Eastern Affairs, before the House Foreign Affairs Subcommittee on Middle East, North Africa, and International Terrorism, October 11, 2017.

on traditional sectarian elites for protection. Protestor demands for the investigation of state corruption and fundamental electoral and constitutional reforms could prompt Lebanese leaders to adopt a zero sum approach to the movement. In addition to steps taken by Lebanon's political elites, decisions by the Lebanese military and security forces—some of whom have a long-standing partnership with the United States—also will likely shape the country's trajectory and the future of U.S. partnership programs.

## Politics and Economy of Lebanon: Structural Challenges

### *The Confessional System*

Lebanon's population includes Christian, Sunni Muslim, and Shi'a Muslim communities of roughly comparable size.<sup>3</sup> In what is referred to as Lebanon's confessional system, political posts are divided among the country's various religious groups, or "confessions," in proportions designed to reflect each group's share of the population—although no formal census has been conducted in the country since 1932. The presidency is reserved for a Maronite Christian, the prime minister post for a Sunni Muslim, and the speaker of parliament for a Shi'a Muslim. The 128 seats in Lebanon's parliament are divided evenly among Christians and Muslims, and Lebanese electoral law has traditionally allocated each seat within an electoral district to a specific religious community. Intra-communal political differences and rivalries add further complexity.

Lebanon's confessional system—shaped by the 1943 National Pact and adjusted and formalized by the 1989 Taif Accords—is widely viewed as contributing to political gridlock, at times paralyzing the government. In October 2016, Lebanon's parliament elected Christian leader and former Lebanese Armed Forces commander Michel Aoun as president, filling a post that had stood vacant since 2014. More than 40 attempts by the parliament to convene an electoral session had previously failed, largely due to boycotts by various parties that prevented the body from attaining the necessary quorum.<sup>4</sup> In May 2018, Lebanon held legislative elections—five years behind schedule.<sup>5</sup> President Aoun reappointed Saad Hariri of the predominantly Sunni Future Movement as prime minister, and charged him with forming a new government. After eight months of political deadlock, Prime Minister Saad Hariri formed a government in January 2019. Like previous Lebanese governments, it included Hezbollah representatives, reflecting the group's presence in parliament. On October 29, 2019, Hariri resigned amid mass protests by civilians across Lebanon's diverse communities.

### *Economy*

In September 2019, Lebanese officials declared what they described as an "economic state of emergency."<sup>6</sup> Lebanon's debt-to-GDP ratio stands at over 150%,<sup>7</sup> and debt servicing consumes almost half of all government revenue.<sup>8</sup> The majority of remaining government revenue is expended on public sector salaries and transfers to the state-owned electricity company, severely limiting the government's

<sup>3</sup> The Department of State's 2018 Report on International Religious Freedom cites Statistics Lebanon, an independent firm, which estimates that 61.1 percent of Lebanon's citizen population is Muslim (30.6 percent Sunni, 30.5 percent Shia, and smaller percentages of Alawis and Ismailis) and 33.7 percent of the population is Christian. An estimated 5.2 percent is Druze.

<sup>4</sup> "Lebanon records 44th failed attempt to elect president," *Daily Star*, September 7, 2016.

<sup>5</sup> Lebanon was due for parliamentary elections in 2013. However, disagreements of the details of a new electoral law (passed in June 2017) delayed the elections until May 2018.

<sup>6</sup> This appears to be a policy statement rather than a reference to any existing legal framework.

<sup>7</sup> "Lebanon: Staff Concluding Statement of the 2019 Article IV Mission," International Monetary Fund, July 2, 2019.

<sup>8</sup> "High debt, high deficit: Lebanon's economic woes fueling protests," *Financial Times*, October 31, 2019.

ability to invest in basic infrastructure and public services.<sup>9</sup> The Lebanese government is unable to consistently provide basic services such as electricity, water, and waste treatment, and the World Bank notes that the quality and availability of basic public services is significantly worse in Lebanon than both regional and world averages.<sup>10</sup> As a result, citizens rely on private providers, many of whom are affiliated with political parties, including Hezbollah.

Economic conditions have played a major part in the popular protests that ultimately resulted in the resignation of the Hariri government. According to the World Bank, about a third of Lebanese live in poverty, and this could rise to 50 percent if the economic situation worsens.<sup>11</sup> Prior to resigning, the Lebanese government passed what Lebanese press described as “a raft of unprecedented, radical economic reforms,” including privatizations, salary cuts for ministers and legislators, and the establishment of a national anti-corruption commission.<sup>12</sup> However, some analysts argued that Hariri’s economic reform package “does not represent a realistic and sustainable fiscal consolidation plan. It also falls short of sufficient details and does not include the structural reforms required to put the country back on track.”<sup>13</sup>

Lebanon’s economy remains in dire straits. The protests have created uncertainty for investors, and capital flight could undermine Lebanon’s currency peg to the U.S. dollar. Fears of a run on the banks prompted Lebanese banks to close for two weeks; banks briefly re-opened in early November with varying restrictions on dollar withdrawals and overseas transfers. This prompted accusations that Lebanon’s elite have been permitted to move funds out of the country while smaller depositors have been unable to transfer funds. The shortage of dollars has also led to shortages of key imports such as fuel and medical supplies.<sup>14</sup> The government’s sovereign credit rating has been repeatedly downgraded. While Lebanon has never defaulted on its debt, unless the government receives an immediate infusion of external budget support, a default is becoming a growing concern.<sup>15</sup> As of mid-November, banks had re-closed for a week, citing security concerns.

<sup>9</sup> Ibid.

<sup>10</sup> World Bank, *Lebanon Economic Monitor*, Fall 2015, pp. 24-29.

<sup>11</sup> World Bank press release, “Lebanon is in the Midst of Economic, Financial and Social Hardship, Situation Could Get worse,” November 6, 2019.

<sup>12</sup> “Under popular pressure, Cabinet approves unprecedented reforms, draft budget,” *Daily Star*, October 22, 2019.

<sup>13</sup> “It is time to save Lebanon,” Lebanese International Finance Executives (LIFE), as published by the Middle East Institute, October 25, 2019.

<sup>14</sup> “Dollar shortage shakes confidence in Lebanon’s banks,” *Financial Times*, November 12, 2019.

<sup>15</sup> “Moody’s pushes Lebanon’s sovereign bonds deeper into junk territory,” *Financial Times*, November 5, 2019.

## 2019 Protests and Government Resignation

On October 29, Lebanese Prime Minister Saad Hariri announced his resignation, which under the constitution automatically triggered the resignation of his government. The move followed nearly two weeks of nationwide mass protests—potentially the largest in Lebanese history. Protestors represent a broad economic, political, and sectarian cross-section of Lebanese society, and have continued to call for comprehensive change in national political leadership even after the resignation of the Hariri government. Secretary of State Pompeo has called upon Lebanon's leaders to "urgently facilitate" the formation of a new government, stating, "The Lebanese people want an efficient and effective government, economic reform, and an end to endemic corruption."<sup>16</sup>

**Drivers.** Protests began on October 17, triggered by a proposed government tax on internet-enabled voice calls, notably Whatsapp. However, the movement reflects broader dissatisfaction with what protestors describe as government corruption, ineptitude, and economic mismanagement. Demonstrators have emphasized the state's failure to provide sufficient access to basic goods and services, including jobs, education, water, electricity, and garbage collection.<sup>17</sup>

**Scale & Demands.** Unlike in previous protests, Beirut is not the epicenter. Large-scale protests have broken out nationwide, and the pervasive economic concerns driving them also have transcended sectarian divisions. Protestors lack a centralized leadership, and their demands vary. Some have called for specific policy and/or leadership changes, such as early elections, a new electoral law, and the resignation of Lebanese President Michel Aoun (whose term expires in 2022).<sup>18</sup> Other protestor demands have a less clear path towards implementation, such as a change to Lebanon's confessional system, the return of "looted public money," and the removal of the entire political elite.<sup>19</sup>

**Next Steps.** According to the constitution, Lebanese President Michel Aoun must convene the various parliamentary blocs for consultations on the appointment of a prime minister-designate, who will be charged with forming a new government. Protestors have called for the formation of a government of independent technocrats. However, the formation of a technocratic government would arguably be constrained by the same factors that historically have complicated all efforts at government formation in Lebanon, including the constitutional requirement that all of Lebanon's sects be "fairly represented in the formation of the Cabinet," and domestic political rivalries exacerbated by the involvement of foreign states. President Aoun has stated, "A technocratic government cannot outline the country's policies. I support the formation of a half-political and half-technocratic government. Unless it is a techno-political government, it cannot have political cover from Parliament."<sup>20</sup> Hezbollah, which holds 13 seats in Parliament, reportedly has insisted on being included in the next government. When asked about Hezbollah's participation, Aoun—whose Free Patriotic Movement is politically allied with Hezbollah in Parliament—stated, "No one can force us to remove a party that represents a third of the people."<sup>21</sup>

<sup>16</sup> "Political Situation in Lebanon," Press Statement, Michael R. Pompeo, Secretary of State, October 29, 2019.

<sup>17</sup> "Protests erupt in Hezbollah's heartland of south Lebanon, despite intimidation," *Middle East Eye*, October 21, 2019.

<sup>18</sup> "A need for mediation in Lebanon as the government and protestors reach a standstill," Middle East Institute, October 28, 2019.

<sup>19</sup> "Hariri's Cabinet reshuffle bid hits Bassil snag," *Daily Star*, October 29, 2019.

<sup>20</sup> "Rage as Aoun urges protestors to go home," *Daily Star*, November 13, 2019.

<sup>21</sup> *Ibid.*



## Key Issues in U.S.-Lebanon Relations

### Hezbollah

Following its formation in the early 1980s, Hezbollah justified its role within Lebanon as necessitated by Israel's occupation of Lebanese territory. While Israel withdrew in 2000 from areas of southern Lebanon it had occupied since 1982, Hezbollah has used the remaining Israeli presence in disputed areas in the Lebanon-Syria-Israel triborder region such as the Sheb'a Farms (see **Figure 1**) to justify its ongoing conflict with Israel and its continued existence as an armed militia alongside the Lebanese armed forces. Hezbollah and Israel fought a 34-day war in 2006 that killed over 1,200 people, mostly Lebanese, and the prospect of renewed conflict between the two sides threatens to destabilize the broader region. Hezbollah is closely linked to Iran, which provides Hezbollah with significant funding, and which has used Hezbollah as a proxy force to threaten Israel.<sup>22</sup>

According to the State Department's 2018 Country Reports on Terrorism (released in November 2019), Hezbollah "remained the most capable terrorist organization in Lebanon, controlling areas in the Bekaa Valley, southern Lebanon, and south Beirut." The report states that,

Lebanon remained a safe haven for terrorist groups in both under-governed and Hizballah-controlled areas. Hizballah used the areas under its control for terrorist training, fundraising, financing, and recruitment. The Government of Lebanon did not take significant actions to disarm Hizballah, even though Hizballah maintained its weapons in violation of UNSCR 1701. The Lebanese government did not have complete control of all regions of the country or fully control its borders with Syria and Israel. Hizballah controlled access to parts of the country and had influence over some elements within Lebanon's security services.<sup>23</sup>

The report stated that Lebanese security services collaborated with the United States to deter, apprehend, and investigate terrorism threats, but noted that "Hizballah's role in Lebanon's confessional power-sharing system continued to hinder government actions against the group's terrorist activities."

**Hezbollah in Politics.** Hezbollah has participated in elections since 1992. The group entered the cabinet for the first time in 2005, and has held at least one seat in each of the six Lebanese governments formed since then. Hezbollah candidates have also fared well in municipal elections, winning seats in conjunction with allied Amal party representatives in many areas of southern and eastern Lebanon. Hezbollah—like other Lebanese confessional groups—vies for the loyalties of its constituents by operating a vast network of schools, clinics, youth programs, private business, and local security. These services contribute significantly to the group's popular support base, however some Lebanese criticize Hezbollah's vast apparatus as "a state within a state."<sup>24</sup> Domestic political rivals arguably constrain Hezbollah, but the group's popular support affords it a degree of political legitimacy that compounds the challenge of limiting its influence over Lebanon's government, economy, and security.

<sup>22</sup> In June 2018, Treasury Under Secretary for Terrorism and Financial Intelligence Sigal Mandelker estimated that Iran provides Hezbollah with more than \$700 million per year. As of 2019, financial pressure on Iran appeared to have reduced its funding for Hezbollah.

<sup>23</sup> "Terrorist Safe Havens," Country Reports on Terrorism 2018, November 1, 2019.

<sup>24</sup> "The resignation of Lebanon's prime minister raises risks in the Middle East," *Washington Post*, November 4, 2017.

### United Nations Interim Force in Lebanon (UNIFIL)

Since 1978, UNIFIL has been deployed in the Lebanon-Israel-Syria triborder area.<sup>25</sup> The United States has supported UNIFIL financially and diplomatically with the aim of bolstering and expanding the authority of the Lebanese Armed Forces (LAF) in areas of Lebanon historically dominated by Hezbollah.

UNIFIL's initial mandate was to confirm the withdrawal of Israeli forces from southern Lebanon, restore peace and security, and assist the Lebanese government in restoring its authority in southern Lebanon (a traditional Hezbollah stronghold). In May 2000, Israel withdrew its forces from southern Lebanon. The following month, the United Nations identified a 120-kilometer line between Lebanon and Israel to use as a reference for the purpose of confirming the withdrawal of Israeli forces. The Line of Withdrawal, commonly known as the Blue Line, is not an international border demarcation.

Following the 2006 Israel-Hezbollah war, UNIFIL's mandate was expanded via UNSCR 1701 (2006) to include monitoring the cessation of hostilities between the two sides, accompanying and supporting the Lebanese Armed Forces as they deployed throughout southern Lebanon, and helping to ensure humanitarian access to civilian populations. UNSCR 1701 also authorized UNIFIL to assist the Lebanese government in the establishment of "an area free of any armed personnel, assets and weapons other than those of the Government of Lebanon and of UNIFIL" between the Blue Line and the Litani River.

UNIFIL continues to monitor violations of UNSCR 1701 by all sides, and the U.N. Secretary General reports regularly to the U.N. Security Council on the implementation of UNSCR 1701.<sup>26</sup> The U.N. Security Council has voted annually to renew UNIFIL's mandate.

In 2017, the United States and Israel reportedly pushed for changes that would allow UNIFIL to access and search private property for illicit Hezbollah weapons stockpiles or other violations of UNSCR 1701.<sup>27</sup> Then-U.S. Ambassador to the U.N. Nikki Haley argued that UNIFIL had failed to prevent Hezbollah violations of UNSCR 1701, and that its patrols in southern Lebanon were sometimes restricted by roadblocks.<sup>28</sup> The 2017 renewal of UNIFIL's mandate in UNSCR 2373 included limited wording changes, which all sides praised.<sup>29</sup> The new language requested that the existing U.N. Secretary General's reports on the implementation of UNSCR 1701 include "prompt and detailed reports on the restrictions to UNIFIL's freedom of movement, reports on specific areas where UNIFIL does not access and on the reasons behind these restrictions."<sup>30</sup>

### Refugees

Following the outbreak of conflict in neighboring Syria, refugees began to stream into Lebanon in 2011. By 2014, Lebanon had the highest per capita refugee population in the world, with Syrian refugees equaling one-quarter of the resident population.<sup>31</sup> In May 2015, the U.N. High Commissioner for Refugees (UNHCR) suspended new registration of refugees in response to the government's request. As of October 2019, nearly 920,000 Syrian refugees were registered in Lebanon, according to UNHCR. The

<sup>25</sup> The formal boundaries dividing the three countries remain disputed.

<sup>26</sup> Reports on the implementation of Security Council resolution 1701 (2006) are available at <<https://www.un.org/securitycouncil/content/reports-secretary-general>>

<sup>27</sup> OSE Report IMR2017090568616406, "Report Says UNIFIL Mission Extended for One Year, Adjustments 'Not Up To Washington's Ambitions,'" September 1, 2017.

<sup>28</sup> Nikki Haley, "Confronting Hezbollah in Lebanon," *Jerusalem Post*, September 5, 2017.

<sup>29</sup> Ibid; "UNIFIL changes provide transparency: Haley," *Daily Star*, September 6, 2017.

<sup>30</sup> UN Security Council Resolution 2373 (2017).

<sup>31</sup> UNHCR, "Syrian refugees in Lebanon surpass 1 million," April 3, 2014; UNHCR Lebanon Factsheet, January 2019.

actual Syrian refugee presence—which includes those unable to formally register—has been estimated at 1.2 million to 1.5 million. Lebanon's prewar population was about 4.3 million. The Lebanese government has been unwilling to take steps that it describes as enabling Syrians to become a permanent refugee population akin to the Palestinians (currently estimated to number 174,422),<sup>32</sup> who have been present in Lebanon for at least 70 years.

Some Lebanese officials have described the country's Syrian refugee population as destabilizing, and have called for Syrian refugees to return home. In May 2018, President Aoun reiterated his call for the repatriation of Syrian refugees, stating that their return would "end the repercussions of this displacement on Lebanon socially, economically, educationally, and in terms of security."<sup>33</sup> Aoun has said that the return of refugees should not be contingent on a political solution to the Syrian conflict.<sup>34</sup> In a September 2019 address to the U.N. General Assembly, Aoun argued that the conditions for the "safe and dignified return" of refugees to Syria have been met, stating, "per international reports, the security situation on most of the Syrian territories has become stable, the military confrontations have become confined to the Idlib region, and the Syrian State has officially declared, time and again, that it welcomes the return of its displaced citizens."<sup>35</sup> Aoun stated that more than 250,000 displaced persons had returned to Syria, and accused some states of trying to hinder refugee return by "sowing fear among the displaced."<sup>36</sup>

In some cases, the return of refugees to Syria has been facilitated by the Lebanese Armed Forces (LAF).<sup>37</sup> It is unclear whether all refugees departed Lebanon voluntarily.<sup>38</sup> UNHCR has continued to assess that conditions are not right for the large-scale return of refugees to Syria.

## U.S. Policy

U.S. policy in Lebanon seeks to limit threats to the United States and Israel posed by Hezbollah, to bolster Lebanon's ability to protect its borders, to build state capacity to defeat terrorist threats, and to manage the large influx of Syrian refugees. Iranian influence in Lebanon, the potential for renewed armed conflict between Hezbollah and Israel, and Lebanon's internal politics complicate the provision of U.S. assistance. Lebanon remains an arena for competition and conflict among outsiders, as local actors aligned with Syria and Iran vie for power against others that seek support from Saudi Arabia and the United States.

## U.S. Assistance to Lebanon

The United States is the largest provider of development, humanitarian, and security assistance to Lebanon. Congress places several certification requirements on U.S. assistance funds for Lebanon annually in an effort to prevent their misuse or the transfer of U.S. equipment to Hezbollah or other designated terrorists. The United States has provided more than \$1.7 billion worth of assistance and materiel to the Lebanese Armed Forces (LAF) since 2006.<sup>39</sup> In October 2019, the Administration reportedly decided to withhold \$105 million in security aid for Lebanon; no reason was publicly given.

<sup>32</sup> "Census shows there are 174,422 Palestinians in Lebanon," *Associated Press*, December 21, 2017.

<sup>33</sup> "Aoun pleads for Arab intervention in refugee return," *Daily Star*, May 3, 2018.

<sup>34</sup> "Aoun Calls for Gradual Return of Syrian Refugees," *Asharq Al Awsat*, March 8, 2018.

<sup>35</sup> Address by Lebanese President Michel Aoun at the 74th session of the U.N. General Assembly, September 25, 2019.

<sup>36</sup> Address by Lebanese President Michel Aoun at the 74th session of the U.N. General Assembly, September 25, 2019.

<sup>37</sup> "Aoun: Lebanon Could Organize Return of Syrian Refugees with Damascus," *Asharq Al Awsat*, May 4, 2019; "The return of Syrian refugee families from the camps of Ersal to the village of Essal el-Ward in Syria," July 12, 2017, <http://www.lebarmy.gov.lb>.

<sup>38</sup> Amnesty International, "Lebanon: Authorities must immediately halt deportation of Syrian refugees," August 27, 2019.

<sup>39</sup> "U.S. Security Cooperation with Lebanon," State Department Fact Sheet, May 21, 2019.

**Table 1. Select U.S. Foreign Assistance Funding for Lebanon-Related Programs**

\$, millions, Fiscal Year of Appropriation unless noted

Account/Program	FY2017 Actual	FY2018 Actual	FY2019 Allocated	FY2020 Request
FMF	80.0	104.9	105.0	50.0
ESF	110.0	117.0	112.5	-
ESDF	-	-	-	62.2
IMET	2.6	3.1	2.9	3.0
INCLE	10.0	10.5	10.0	6.2
NADR	5.7	10.8	11.0	11.7
<b>Total</b>	<b>208.3</b>	<b>246.3</b>	<b>241.4</b>	<b>133.1</b>

**Source:** U.S. State Department data, FY2019 estimate and FY2020 Budget Request Materials.**Notes:** Amounts include Overseas Contingency Operations funding. Table does not reflect all funds or programs related to Lebanon. Does not account for all reprogramming actions of prior year funds or obligation notices provided to congressional committees of jurisdiction. *FMF* = Foreign Military Financing; *ESF* = Economic Support Fund; *ESDF* = Economic Support and Development Fund; *IMET* = International Military Education and Training; *INCLE* = International Narcotics Control and Law Enforcement; *NADR* = Nonproliferation, Antiterrorism, Demining and Related Programs.

## Outlook

The current protest movement has highlighted shared political and economic grievances and has the potential to fundamentally alter Lebanon's confessional system in which political mobilization is based largely on sectarian identity. However, the movement also faces a number of challenges. It lacks a centralized leadership, and could struggle to maintain momentum as government formation is delayed. It also faces opposition from elites across the political spectrum, who, while publicly praising the movement, have sought to preserve the status quo. And while the protest movement has been largely peaceful, it risks spiraling into violence, which could trigger a forceful state response as well as a descent into a broader civil conflict. Ultimately, the success of the movement may depend on whether it is able to sustain momentum, remain unified, and continue to transcend the interests of any single confessional group. It could also be significantly shaped by the response of the Lebanese military and security services—over which the United States may exert some influence.

There are various ways the United States could respond to the protest movement; all involve some potential risk.

- The United States could endorse protestor demands for systemic political change, condition U.S. assistance on responses, and target corrupt leaders regardless of sect. This could require severing ties with political allies, which could lead former allies to seek partnership with alternative external power brokers, including Iran (which supports maintaining the current status quo). Such an endorsement could also lend support to the Hezbollah accusation that protests are part of a foreign conspiracy. Political elites that came to view protests as an existential threat and no longer felt constrained by the need to maintain a relationship with the United States could decide to employ more heavy-handed security measures to suppress the movement.
- U.S. policymakers could support managed change—encourage reform and civilian protection, but ultimately defer to the policy course set by current Lebanese political leaders, particularly given the lack of a clear alternative power center within the nascent protest movement. This could give Lebanese officials the necessary space to wait out or divide the protest movement, while implementing limited reforms that relieve some pressure on the economy. This approach would

likely preserve the privileges of Lebanon's entrenched elites and could fail to address many of the grievances that originally sparked protests.

- The United States could take a minimalist, security-centered approach to the protests, prioritizing short-term domestic stability. U.S. policymakers could focus on maintaining existing ties to the LAF and Lebanon's Internal Security Forces (ISF), irrespective of domestic policy changes (or the absence thereof). This would likely reduce pressure on Lebanese leaders to implement reforms, and help preserve the status quo. However, without substantial reforms, Lebanon's economy risks collapse—increasing the likelihood of future instability and social unrest.
- The United States could seek to draw on protestor grievances to undermine Hezbollah and Iranian influence in Lebanon. While the protest movement has been critical of Hezbollah leader Hassan Nasrallah as part of a broader backlash against political elites, the movement itself is not focused on the role of Hezbollah in the country. Instead, protestors have focused on economic and political grievances that cut across sectarian lines. Efforts to simplify the movement as a reflection of popular discontent with Iran and/or Hezbollah could alienate Lebanon's Shia community and potentially undermine protestor efforts to unify Lebanese around shared demands for reform.
- U.S. policymakers could look to regional and/or European partners to lead the international response to Lebanon's economic crisis and/or protest movement. France, which governed the area of present-day Lebanon from the end of World War I until the country's independence in 1943, has maintained a close bilateral relationship with Beirut. U.S. and French policy towards Lebanon has traditionally differed in some key respects. France, like the European Union, draws a distinction between Hezbollah's military and political wings, designating only the former as a terrorist organization.

Mr. DEUTCH. Thank you, Ms. Humud.  
Ms. Yacoubian, you are recognized.

**STATEMENT OF MONA YACOUBIAN, SENIOR ADVISOR FOR  
SYRIA, MIDDLE EAST, AND NORTH AFRICA, UNITED STATES  
INSTITUTE OF PEACE**

Ms. YACOUBIAN. Chairman Deutch, Ranking Member Wilson, and members of the Middle East and North Africa Subcommittee, thank you for the opportunity to testify on the implications of the current protests in Lebanon. The timing for this hearing is especially important, given the dramatic nature of the protests and the challenges and potential opportunities they pose to U.S. interests.

I have followed developments in Lebanon over many years, and currently, I am a senior advisor at the United States Institute of Peace. Please note that the views expressed here are my own and not necessarily those of USIP.

Since October 17, Lebanon has witnessed historic mass protests bringing more than 1 million people to the streets across the country. The largest peaceful uprising comes amidst the mounting financial crisis that could bring about a total collapse of the economy. The economy's warning lights have been blinking red for some time. Stagnant growth has prompted mounting unemployment, especially among youth. Lebanon's debt-to-GDP ratio is among the highest in the world. Its fiscal deficit is ballooning, and the country has a severe foreign exchange shortage. Limits on bank withdrawals and concerns over fuel and even food shortages have contributed to a growing sense of panic. In short, Lebanon is on the verge of a catastrophic economic meltdown.

The current protests are different from past demonstrations in precedent-setting ways. The protests are decidedly anti-sectarian. Previously, protest movements have been captured by sectarian interests, leading to their demise or provoking greater polarization. Thus far, demonstrators have resolutely rejected efforts to inject sectarian demands or rhetoric into the protests.

They are geographically diverse. Marches and demonstrations continue to occur across Lebanon from the north to the south, from the Beqaa Valley to the coast. Women and youth are at the forefront, playing an outsized role. Themes of civic engagement resonate across the protests. Discussion circles and debates on a broad range of issues occur daily across the country.

However, the early optimism of the protest has given way to fears about darker scenarios unfolding. Two looming, dangerous dynamics, if unchecked, can quickly engulf Lebanon in widespread chaos and violence—an impending financial collapse or agitators turning the protests violent.

Lebanon's revolutionary moment holds important implications for U.S. national security interests which are predicated on maintaining Lebanon's security and stability. Should the current protests be overwhelmed by financial collapse, a turn to violence, or both, U.S. national security interests would, likewise, come under significant threat.

Given the stakes, it is critical that the United States proceed wisely and cautiously at this sensitive and potentially dangerous juncture for Lebanon. U.S. engagement should be guided by two

key principles. One, engage where the U.S. has a comparative advantage, cultivating institutions that serve as a foundation for vibrant democracy. And two, refrain where the U.S. presence does more harm than good, in particular, resisting the temptation to support the protestors directly or transform the protests into a cudgel to use against Hezbollah and Iran.

Hezbollah Leader Hassan Nasrallah has been unnerved by the demonstrations which have occurred in Hezbollah strongholds, signaling its constituency's deep discontent over socioeconomic issues. The Shiite militant group has expertly navigated Lebanon's sectarian system to accrue more power with little accountability, raising the slogans of resistance while engineering and manipulating the Lebanese governing system behind the scenes.

As a prime beneficiary of the current status quo, Hezbollah would lose significantly, should the protestors' demands be fulfilled. A new governance system in Lebanon based on strong civic ideals and responsive, accountable, and inclusive institutions would dramatically undercut Hezbollah's influence.

To conclude, I would like to highlight four key U.S. policy recommendations.

One, work with key countries to pressure Lebanon's sectarian power brokers for the urgent appointment of a cabinet of independent technocrats to address the impending financial collapse.

Two, engage international financial institutions to develop an emergency financing package conditioned on appropriate and necessary reforms.

Three, maintain U.S. economic assistance to Lebanon. Lebanon hosts the highest number of per capita refugees in the world, and U.S. economic assistance has played an important role in supporting local communities.

And four, unfreeze the \$105 million in U.S. security assistance to the Lebanese Armed Forces, the most respected State institution in Lebanon with strong popular support.

Thank you, and I am happy to take your questions.

[The prepared statement of Ms. Yacoubian follows:]



**United States Institute of Peace**

**“What’s Next for Lebanon? Examining the  
Implications of Current Protests”**

**Testimony before the House Foreign Affairs Subcommittee on  
Middle East, North Africa, and International Terrorism**

**Mona Yacoubian  
Senior Advisor for Syria, Middle East and North Africa  
United States Institute of Peace  
November 19, 2019**



Chairman Deutch, Ranking Member Wilson and members of the House Foreign Affairs Subcommittee on Middle East, North Africa, and International Terrorism, thank you for the opportunity to testify on the implications of the current protests in Lebanon. The timing for this hearing is especially important given the dramatic nature of the protests in Lebanon and the challenges and potential opportunities they pose to U.S. interests.

I am a senior advisor on Syria, Middle East and North Africa at the United States Institute of Peace, although the views expressed here are my own. The U.S. Institute of Peace was established by Congress over 35 years ago as an independent, nonpartisan national institute to prevent and resolve violent conflicts abroad, in accordance with U.S. national interests and values.

**Overview.** Since October 17, Lebanon has witnessed historic mass protests, bringing more than one million people to the streets across their country. Sparked by a government decision to tax the use of the popular messaging service, WhatsApp, the demonstrations quickly morphed into a broad-based popular revolt against Lebanon's corrupt, sectarian system of government. The tax was immediately rescinded, but Lebanese popular frustrations over decades of a sectarian system marked by pervasive corruption, poor governance, and inadequate services were unleashed. Under pressure from the protests, Prime Minister Saad Hariri resigned on October 29. The protestors are demanding an independent, technocratic cabinet, a reform plan, improved services, a new electoral law and early elections. Many are calling the protests nothing less than a revolution.

**Looming Economic Catastrophe.** The largely peaceful uprising comes amidst a mounting financial crisis in Lebanon that could bring about a total collapse of the economy. While Lebanon observers have long marveled at the country's fabled resilience, it appears that Lebanon has reached a moment of reckoning. The economy's warning lights have been blinking red for some time: the IMF noted near zero growth (0.3%) for 2018, with continued weak growth projected for 2019. A stagnant economy has prompted mounting unemployment, especially among youth. Lebanon's debt to GDP ratio is among the highest in the world; its fiscal deficit is ballooning, burdened by high debt service, a bloated public sector, and longstanding electricity subsidies. Plummeting investor confidence has led to a steep decline in net capital inflows. Taken together, these dynamics have resulted in a severe foreign exchange shortage. Limits on bank withdrawals and concerns over fuel, and even food shortages, have contributed to a growing sense of panic. In short, Lebanon is on the verge of a catastrophic economic meltdown.

The latest protests in Lebanon are not a new phenomenon. The 2005 Cedar Revolution prompted an end to the Syrian occupation of Lebanon following the assassination of former Prime Minister Rafiq Hariri. More recently, the You Stink campaign in 2015 reflected popular disgust with mountains of uncollected garbage, a potent reminder of the Lebanese government's poor performance and its inability to deliver the most basic of public services. As with the 2019 demonstrations, both past instances were characterized by large, peaceful protests demanding change.

**Positive Precedents Set.** But the current protests are different from these past efforts in important, precedent-setting ways. Taken together, these dynamics imbue the movement with a sense of hope, even with the looming peril surrounding it:

- **Anti-sectarian.** Encompassing all sects (i.e. cross-sectarian), the protests are decidedly anti-sectarian. Previously, protest movements have been captured by sectarian interests, leading to their demise or provoking greater polarization. Thus far, demonstrators have resolutely rejected efforts to inject sectarian demands or rhetoric into the protests. Quite the opposite. The Lebanese flag and anthem—key symbols of national identity—are hallmarks of the current demonstrations. Protestors have strived to reach out across the sectarian divide, pledging unity as Lebanese and demanding an end to Lebanon’s sectarian system. In one notable example, demonstrators in Tripoli—by many accounts the “cradle of the revolution”—a Sunni dominant city, chanted in support of their counterparts in Tyre and Nabatieh, Shia strongholds dominated by Hezbollah and Amal.
- **Geographically diverse.** Marches and demonstrations continue to occur across Lebanon, from the north to the south, from the Bekaa valley to the coast. They have encompassed large cities and smaller towns. Organizers have coordinated their efforts across the country in a variety of ways. On one day, demonstrators formed a human chain along the length of the country, literally embodying the geographic expanse of the movement.
- **Women and youth at the forefront.** Women are playing an outsized role in the protests. They are often front and center, leading marches and sit-ins. In some instances, women have formed circles around male demonstrators to protect them from arrest. Students are also prominent in the protests, organizing teach-ins with professors and infusing the movement with dynamism and energy.
- **Civic engagement.** Themes of civic engagement resonate across the protests. Discussion circles and debates on a broad range of issues occur daily across the country. Doctors and lawyers are volunteering their services to those in need. A pop-up soup kitchen has been set up in downtown Beirut. Independent and social media outlets serve as a check on mainstream media, ensuring more open expression. Online activists have created a “guide to the revolution.”

**Where is Lebanon heading?** The early optimism of the protests has given way to fears about darker scenarios unfolding. Two looming, dangerous dynamics—if unchecked—can quickly engulf Lebanon in widespread chaos and violence:

- **Impending financial collapse:** Despite the urgency of Lebanon’s financial crisis, the government has yet to take significant action. Conditions continue to deteriorate with no sign that the caretaker government is undertaking any of the necessary measures to begin to restore confidence and stave off a financial collapse. The failure to address increasingly acute debt and liquidity issues is heightening concerns regarding a default on the debt, insolvency of the banking system and a significant devaluation of the Lebanese pound. Even in the best case, the middle and lower classes will suffer from the consequences of painful economic adjustment. In the worst case, Lebanon will experience an economic meltdown which will quickly translate into a security nightmare.

- **Protests turn violent:** To date, the demonstrations have remained remarkably peaceful despite efforts by darker elements to agitate and turn the protests violent. For the most part, Lebanese security forces have acted with restraint. They have allowed the protestors to organize, march, and demonstrate unfettered. However, on November 12, the demonstrations' first fatality came after a soldier fatally shot a protestor at a roadblock. The soldier was detained, and the army immediately opened an investigation into the incident. Amidst high tensions, the incident is a stark reminder of how quickly the demonstrations can devolve to violence.

More insidious and concerning is the appearance of thugs armed with knives or guns at some protests. These incidents are increasingly reported in south Lebanon where gunmen affiliated with Amal reportedly threatened peaceful demonstrators near Tyre. Hezbollah supporters are also reported to have threatened protestors in the south. Other reports suggest elements connected to Lebanese President Michel Aoun and his Free Patriotic Movement have brandished weapons and even fired on demonstrators. Any of these incidents could spark more significant violence. Lebanon's past is replete with examples of minor skirmishes quickly escalating into widespread unrest.

#### **Implications for U.S. Policy**

Lebanon's revolutionary moment holds important implications for U.S. national security interests which are predicated on maintaining security and stability in the face of multiple challenges. Should the current protest movement be overwhelmed by financial collapse, a turn to violence, or both, U.S. national security interests would likewise come under significant threat.

Lebanon's fragility has been increasingly tested, not only with its looming financial crisis but also given the spillover effects of the conflict in neighboring Syria. Lebanon hosts the largest number of refugees per capita in the world, including an estimated one million Syrian refugees. It must also remain vigilant against the threat of a resurgent ISIS as well as al-Qaeda and its affiliates. Meanwhile, an emboldened Hezbollah has also sought to increase its influence in Lebanon.

Given the stakes, it is critical that the United States proceed wisely and cautiously at this sensitive and potentially dangerous juncture for Lebanon. U.S. engagements should be guided by two key principles: (1) Engage where the U.S. has a comparative advantage; and, (2) Refrain where the U.S. presence does more harm than good.

**Engage: The United States should cultivate state institutions that will serve as the foundation for a vibrant democracy and bolster Lebanon's storied, yet badly fraying, resilience.** Specifically, the United States should:

- **Work with France and other key countries to pressure Lebanon's sectarian power brokers for the urgent appointment of a cabinet of competent, independent experts to address the impending financial collapse.** Lebanon does not have the months it normally takes to form a government; nor can it rely on a *status quo* deal among sectarian leaders to appoint one of their own. The Lebanese street has made clear it will not acquiesce to "business as usual," nor will such a *status quo* cabinet restore badly needed investor confidence. Instead, Lebanon's sectarian leaders must take the first step out of

the current crisis by bringing in bold, skilled independents (i.e., not affiliated with any political party) who are unmarred by corruption—there is no shortage of them—who can begin the urgent work of extricating Lebanon from this crisis.

- **Engage the IMF, World Bank, and key Cedre countries (France, Germany, Saudi Arabia, Kuwait) to develop an emergency financing package conditional on appropriate and necessary reforms.** Once a competent cabinet is formed, Lebanon will need to engage immediately with the international community to negotiate terms on a financing package. This financial rescue plan should be conditioned on significant reforms and austerity measures while also ensuring a safety net to protect those Lebanese below the poverty line, currently estimated at 28 percent. Lebanon's current leadership has been chronically unwilling to adopt the reforms necessary to access \$10 billion in funding to improve its infrastructure as agreed in the April 2018 Cedre Conference. An independent cabinet must be willing to move ahead with such reforms.
- **Maintain U.S. economic assistance to Lebanon.** Current U.S. economic assistance of \$110 million has played an important role in supporting local communities hosting Syrian refugees. U.S. assistance has also bolstered Lebanon's overburdened public education system, helping to provide space for Syrian children as well as a growing number of impoverished Lebanese students.
- **Unfreeze the \$105 million in U.S. security assistance.** The Lebanese Armed Forces is perhaps the most respected state institution in Lebanon with strong popular support. In the current environment, it has behaved professionally, for the most part protecting protestors. With U.S. training and support, it has confronted extremist threats inside Lebanon and bolstered controls over the border with Syria. Continued U.S. support is essential to building a strong Lebanon that is resistant to extremist forces from outside or within.
- **Re-establish U.S. funding for elections support.** If the country moves forward with a new electoral law and early elections, U.S. assistance for training and election observation will be important. Lebanese and international observation will have the greatest impact if a framework for observation is in place at the start of a pre-election period -- including electoral reform deliberations, and then focusing on voter education, candidate / voter registration and the campaign process.
- **Explore providing U.S. assistance to support an independent judiciary.** A strategy focused on cultivating strong, independent state institutions should also address efforts to build an independent judiciary in Lebanon. As with other pillars of Lebanon's governance system, the judiciary suffers from political interference, clientelism and corruption. The November 17<sup>th</sup> election of an independent candidate to head the lawyers' syndicate, defeating a candidate supported by all of Lebanon's political parties, is an important victory for judicial independence. The United States should consider additional assistance to support these efforts.

**Refrain: The United States should resist the temptation to support the protestors directly.** The demonstrators have been fairly uniform in their rejection of external interference. Some civil

society groups refused to meet the French envoy last week and have been scornful of messages sent by external actors. Even a whiff of external interference can discredit popular protest movements, giving rise to conspiracy theories that protestors are beholden to outside powers with their own agendas. Hezbollah leader Hassan Nasrallah, intrinsically threatened by the demonstrations, has charged that outside powers are behind the protests and has sought to implicate the United States as being behind the financial crisis.

**Similarly, a strategy that seeks to exploit the protests to go after Hezbollah is likely to backfire.** Seeking to transform the protests into a cudgel against Hezbollah and Iran will virtually guarantee a descent into violence and chaos. Clearly, Nasrallah has been unnerved by the demonstrations which have occurred in Hezbollah strongholds, signaling its constituency's deep discontent over socioeconomic issues.

**As a prime beneficiary of the current *status quo*, Hezbollah stands to lose significantly should the protestors' demands be fulfilled.** The Shiite militant group has expertly navigated Lebanon's sectarian system to accrue more power with little accountability, raising the slogans of resistance, while engineering and manipulating the Lebanese governing system behind the scenes. It has thrived in a system characterized by weak governance, poor service delivery, and endemic corruption. A new system of governance in Lebanon based on strong civic ideals and responsive, accountable and inclusive institutions would dramatically undercut Hezbollah's influence.

**Indeed, some observers note that the protest movement could diminish Hezbollah's influence in ways that U.S. policy has not been able to achieve.** The wall of fear around criticizing Hezbollah has shown some cracks, even among its own Shiite community, as some have openly criticized the party. Moreover, just as other sectarian leaders are coming under fire, the popular refrain "All of them means all of them" in reference to all of Lebanon's current leadership has landed on Nasrallah as well. If allowed to play out, the dynamics propelling the protest movement could reduce Hezbollah's stranglehold on local communities. It is better to let those organic forces play out, rather than interject and potentially forestall the momentum.

*The views expressed in this testimony are those of the author and not the U.S. Institute of Peace.*

Mr. DEUTCH. Thank you, Ms. Yacoubian.

There is one vote on the floor, and there is about 10 minutes left on the vote. So, I think we are going to, if the witnesses can sit tight, we are going to break for a moment, head off to the floor, cast our one vote, and come back for the rest of your testimony and questions.

And with that, we will temporarily adjourn.

[Recess.]

Mr. DEUTCH. The hearing will come back to order.

Thanks so much to the witnesses for indulging us as we do our other important work, casting votes on the House floor.

And with that, Ambassador Feltman, you are recognized for 5 minutes.

**STATEMENT OF JEFFREY FELTMAN, JOHN C. WHITEHEAD VISITING FELLOW IN INTERNATIONAL DIPLOMACY, FOREIGN POLICY PROGRAM, BROOKINGS INSTITUTION**

Ambassador FELTMAN Thank you for inviting me.

I will summarize my written testimony submitted for the record. I note that I represent only myself; the Brookings Institution does not take any institutional position on policy positions.

Lebanon's current protests are not about the United States, but the protests can affect our interests. Congressional attention at this pivotal moment, therefore, is most welcome. In my view, a realistic U.S. policy for Lebanon has three elements.

First, undermine Hezbollah's resistance, clean and anti-establishment narrative, most importantly among the Shia.

Second, support the capability, credibility, and transparency of national institutions like the Lebanese Armed Force vis the sectarian ones represented by Hezbollah.

Three, prevent Hezbollah, Iran, Syria, or Russia from filling the space, from controlling strategic Mediterranean ports and hydrocarbons.

Successful implementation of these elements would help discredit the nonsense that Hezbollah's rockets defend Lebanon, when Hezbollah's rockets are what put Lebanon at risk of war.

The current demonstrations by Lebanese disgusted with the status quo politics are more significant, as the other speakers have noted, than the 2005 protest movement against the Syrian occupation. This time, the Shia have joined.

Hassan Nasrallah's red line against the resignation of President Aoun or early parliamentary elections ties Hezbollah tightly to the corruption and the cronyism that enrages the protestors. The demonstrators will not forget that Hezbollah deployed thugs on motorcycles to break up the protests by force.

Foreign Minister Gebran Bassil, who enabled the expansion of Hezbollah's power by handing the terrorist organization a veneer of Christian cover, is now discredited as the symbol of everything that ails Lebanon. In other words, the Lebanese themselves are now undermining Hezbollah's once untouchable status.

Regarding support for national institutions, my second point, U.S. support has contributed to the Lebanese Armed Forces mostly, but not entirely, restrained professional reaction to these demonstrations. Compare this with how Egyptian or Iraqi or Syrian or

Iranian armed forces deal with protests. Among the Lebanese, confidence in the LAF, in general, is rising, and our assistance made this possible. It is in our interest that this continues.

Does this mean that the Lebanese Armed Forces should try to disarm Hezbollah by force? That would spell civil war. And as we have seen in Lebanon, in Iraq, in Syria, and Yemen, Iran uses civil wars to implant terrorist proxy organizations, and Al-Qaeda and ISIS and their affiliates also exploit the chaos of civil war. Civil war is not in our interest.

The U.S. has some legitimate concerns about the Lebanese Arm Forces' performance, but the FMF should resume quickly and publicly, both because of the program's merit in terms of improving the LAF's counterterrorism performance, but also to undermine the Hezbollah, Iranian, Syrian, Russia narrative that the U.S. is unreliable.

Mr. Chairman, the Lebanese face choices regarding government formation and policies, and it is happening, as my fellow panelists noted, in the middle of a financial crisis, a severe financial crisis. The United States cannot make decisions for the Lebanese. But, given how our interests will be affected by how this evolves, we can clarify the implications of the directions that the Lebanese might be considering.

Our message, in my view, should be twofold: that, first, the United States can help mobilize the international support that Lebanon needs, but that, second, we could only do so if a credible, incoming government adopts the effective reforms and anti-corruption measures that are demanded by the protestors; and to attract the investment and the financial deposits that Lebanon needs to prosper and to avoid economic collapse, Lebanese officials will have to at last satisfactorily resolve the longstanding contradiction between a citizenry that largely identifies with the West with policies that tolerate harboring an Iranian terrorist organization and that lean toward an Iranian-Syrian axis.

Thank you, Mr. Chairman and members, and I look forward to your questions.

[The prepared statement of Ambassador Feltman follows:]

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John C. Whitehead Visiting Fellow in International Diplomacy  
The Brookings Institution

House Committee on Foreign Affairs  
Subcommittee on the Middle East, North Africa, and International Terrorism

November 19, 2019  
“What’s Next for Lebanon? Examining the Implications of Current Protests”

I thank the Subcommittee for inviting me to share my analysis on the situation in Lebanon, especially as it relates to U.S. interests.

I must begin by noting that I represent only myself before you today; the Brookings Institution does not take any institutional positions on policy positions. I would also like to emphasize at the outset that Lebanon’s current protests are not about the United States, and we should avoid anything that would change the focus to the United States. But the results of the protests could affect U.S. interests positively or negatively. That is why I very much welcome Congressional attention to Lebanon at what could be a pivotal moment in the country’s history.

#### Lebanon matters to the United States

There are two common perceptions of Lebanon in the United States. One view is romantic, seeing a multi-confessional, relatively open democracy and vibrant society, offering incredible culture, cuisine, history and hospitality. According to the alternative view, Lebanon, with a bloody civil war and where U.S. Marines and diplomats have been butchered, is a dangerous outpost of Iran threatening U.S. interests in the region and beyond.

With some truth in each description, I would like to open by reviewing how tiny Lebanon affects U.S. interests in big ways. Most obvious is Iran’s projection of its malign regional role via its most successful export, the terrorist organization Hezbollah with its advanced capabilities to threaten Israel and other U.S. allies. In addition, the risk of Sunni extremist groups and Al-Qaida or ISIS establishing strongholds in Lebanon has largely receded, thanks to impressive, sustained efforts by the Lebanese Armed Forces. But, as happened in Iraq, these gains can quickly erode, with international implications, without continued vigilance.

The history of Hezbollah and of Sunni terrorist groups demonstrate vividly why Lebanon’s overall stability is in our interest: Iran exploited Lebanon’s civil war, the post-2003 internal conflict in Iraq, and the more recent civil wars in Syria and Yemen to establish deep roots that prove difficult to eradicate. Civil wars, in other words, become vehicles for the expansion of Iran’s influence. Chaos is also a fertile breeding ground for Al-Qaida-type terrorists, as in Syria, Iraq, Yemen and Somalia.

Russia also eyes Lebanon as a venue to continue its aggressive expansion of its regional and Mediterranean role. Russia is entrenched in Syria, and Russian mercenaries enabling General



Haftar's assault on Tripoli in Libya gives Moscow a toehold on the southern Mediterranean. Lebanon's three ports and offshore hydrocarbon reserves, if exploited by Russia, would add to the sense that Russia is winning in the eastern and southern Mediterranean, at our expense. With over 400 Chinese nationals in UNIFIL in southern Lebanon, China, too, may see potential in Lebanon's ports and location – and the Lebanese may find China's 5G technology hard to resist, given the sorry state of Lebanon's current telecommunications networks.

Closer to Lebanon, Bashar al-Assad, who for a supposedly strong-man dictator is embarrassingly dependent on Russia, Hezbollah and Iran to reassert his control over most of Syria, would undoubtedly love to posture again as a regional power broker by reversing his 2005 humiliation, when the combination of Lebanese protests and international pressure led by President George W. Bush forced him to end abruptly Syria's long-time oppressive military occupation of Lebanon. Russia, never happy with President Bush's focus on Lebanon's freedom, may be happy to facilitate the restoration of Syrian hegemony over its small neighbor, especially as convenient cover for Russia's own objectives in Lebanon.

In short, Lebanon is a venue for global strategic competition. Others will happily fill the vacuum if we cede ground.

However dysfunctional Lebanon's democracy is, we also have interests in seeing an Arab, Mediterranean country with relatively strong civil liberties, democratic traditions, and multi-confessional co-existence succeed. With their strong international connections, most Lebanese aspire to be linked politically, culturally, economically, and financially, to the traditional West – Europe and North America – than with Iran, Russia, or China. There is a natural affinity between most Lebanese and the West that can work to our advantage. But as citizens of a small, vulnerable country in a dangerous region, the Lebanese will also, not irrationally, look for reliable external partners. As frustrating, “needy,” and complicated as Lebanon can be, we need to play the long game and not allow Iran, Syria, China, or Russia to exploit our absence.

#### Lebanon's current protests coincide with U.S. interests

Over the years, many of us have marveled at the neat theatrical trick Lebanon has perfected: somehow staying politically and economically afloat, amidst conditions and lamentations that suggest imminent collapse. Predictions of Lebanon's doom have often proved, if not wrong, then at least premature. This time, it appears that the curtain may come down on this gravity-defying act. Not only is the management of Lebanon's internal and external debt increasingly complicated in a no-growth economy, but the public is by and large weary of, or even enraged by, the sectarian script and excuses that establishment political leaders use to advance their narrow political or financial interests at the expense of the country at large. The confessional patronage spoils that grease the Lebanese economy are now increasingly understood as a system to keep people confined to sectarian prisons. Meanwhile, income equality is on the rise, and job creation in decline. As a result, the entire Lebanese political system is now under hostile public scrutiny, and even Hezbollah has become a target of widespread criticism, a topic I will discuss in more detail below.

As the media reporting indicates, the cross-sectarian nature of the demonstrations that erupted in October (when the government tried to impose a tax on WhatsApp messages in a straw-that-broke-the-camel's back moment) is refreshing and inspiring in the Lebanese context. Sunnis, Christians, Shia and Druse are all in the streets, describing themselves as Lebanese first rather than falling back on their confessional identity. The significance of these protests outweighs that of the movement that began on March 14, 2005, after the murder of Rafiq Hariri, because, this time, the Shia have joined. Moreover, the 2005 protests were aimed at Syria's occupation of Lebanon, which a significant part of the population – again, largely Shia – found less intolerable than most of the country. Today, the protestors focus on domestic issues – jobs, garbage collection, utility services and so forth – which can unify rather than divide the Lebanese. There is, in other words, widespread “bottom up” pressure for change in Lebanon.

While, to reiterate, the protests are not about the United States, the demonstrations and the reactions to them by Lebanese leaders and institutions fortunately coincide with U.S. interests. Hezbollah has long strutted as “invincible,” “clean” and “anti-establishment” compared to other Lebanese parties. Hezbollah Secretary-General Hassan Nasrallah's speeches – four and counting – hoping to discredit the demonstrations have undermined Hezbollah's carefully cultivated narrative more effectively than years of U.S. efforts to do so.

Nasrallah, peddling absurd theories of foreign interference, called for an end to demonstrations; they continue. He told the Shia protestors to go home; some did, but most did not. He said the government should not resign; Prime Minister Hariri did just that. So much for invincibility. Nasrallah's insistence that President Michel Aoun remain in office and his dismissal of the proposal for early parliamentary elections smear Hezbollah indelibly with the political establishment and the stench of the accompanying corruption that the protesters want eradicated. Hezbollah can no longer claim credibly to be “clean,” and its participation in the now-resigned, despised government damaged its claims to deliver services more effectively than others. In terms of the public perception of its political role, Hezbollah is now relegated to the same rubbish heap as the other discredited Lebanese parties.

In addition, Lebanon's citizenry is unlikely to forget that Hezbollah and its junior partner Amal sent thugs on motorcycles to beat up the demonstrators. This brutality resurrected memories Hezbollah would prefer remain buried: In May 2008, Hezbollah and Amal seized swaths of Beirut and surrounding areas to block government efforts to dismantle Hezbollah's parallel secure telecommunications link. Scores were killed before the army took control. While Hezbollah demonstrated no qualms about killing and even starving mass numbers of civilians in Syria, any attempt to repeat the May 2008 offensive at home in Lebanon would evaporate Hezbollah's already diminished “resistance” pretext entirely. For years, the United States has tried to prompt the Lebanese to face the fact that Hezbollah and its rockets create the danger of war with Israel rather than provide protection from Israel. Hezbollah's rhetorical and physical reaction to the current demonstrations may wake up more Lebanese – including the Shia, essential to undermining Hezbollah's popularity -- to that grim reality.

The current demonstrations also constructively undermine the partnership between Hezbollah and the Free Patriotic Movement (FPM), a Christian party, of President Aoun and his son-in-law, Foreign Minister Gebran Bassile. In midwifing an alliance between Hezbollah and FPM in

2006, Bassile is the architect most responsible for Hezbollah's ability to pretend to represent a national, cross-confessional movement and transcend its narrow Iranian and sectarian agenda. The FPM alliance slapped a veneer of Christian cover onto Hezbollah and thus became the primary vehicle for expanded Hezbollah influence inside government institutions: no longer was Hezbollah restricted by the "Shia quota" in Lebanese sectarian ratios, since Hezbollah could rely on the FPM's Christian share as well. Bassile has long exploited the sincere concern the United States and other countries have about the status of Christians in the Middle East precisely to divert scrutiny of his personal enabling of Hezbollah and his corruption. Bassile has now become the personification of everything that provokes and enrages the protestors, while his presidential father-in-law's speeches (including one suggesting that people unhappy with Lebanon's status quo were free to emigrate) reflect someone seriously out of touch with the national mood. So far, Hezbollah is sticking with its alliance with the FPM. But the value of this asset has dropped considerably and adds to growing public disenchantment with the Hezbollah brand overall.

By contrast, the reputation of the Lebanese Armed Forces (LAF), which has managed largely to stay out of politics, has, for the most part, headed upwards. There have been some problems and discrepancies in the LAF's reaction to the protests -- the LAF protected demonstrators in Beirut against Hezbollah and Amal thugs, while units in Nabatieh, in the south, looked the other way; LAF fire killed one demonstrator last week. But overall, the LAF has responded with professionalism and restraint to what from both security and political angles must be a most trying situation: what would we Americans think if persistent protests prevented us from reaching our airports, hospitals, schools or jobs? Moreover, the LAF has been forced to operate and take risks with no coherent political guidance -- or cover -- from Lebanon's civilian leadership and with veiled threats from Hezbollah to clear the protests. In recent days, to the dismay of the demonstrators, the LAF has moved more forcefully to open streets and roads, to allow schools, businesses and public buildings to re-open.

While its record has not been perfect, in general the LAF's performance has been admirable in these circumstances. The contrast to the Hezbollah thugs on motorcycles could not be clearer, and the LAF's behavior compares favorably to the Iraqi, Egyptian or Syrian security forces' reaction to protestors. The LAF can be an example of how public respect for an independent, capable and credible national institution can start to chip away deference to a sectarian one. This, too, is a phenomenon not about us but certainly in our interest -- and one to be nurtured.

Some in Washington may ask if the LAF should now prepare to confront Hezbollah kinetically and disarm Hezbollah by force. That would be a recipe for civil war, and, as noted above, Iran and its proxies as well as Al-Qaida tend to thrive in civil war situations. We need to think more long term. In general, LAF officers, protective of their independence, know how much the army's capabilities and professionalism have improved thanks to sustained U.S. training and equipment, and the Lebanese public is starting to recognize that, too.

A 2007 counter-terrorism operation compared to the LAF's more recent CT efforts demonstrate this improvement. In 2007, the LAF labored from May until September to liquidate Fatah al-Islam, a Sunni terrorist organization inspired by Al-Qaida. Through the course of the battle, 158 LAF soldiers and officers were killed (along with 222 Fatah al-Islam terrorists), over 50 civilians

died, and the entire Nahr al-Barad Palestinian refugee camp, previously home to over 30,000 people, was destroyed. Now, the LAF conducts rapid and effective counter-terrorism operations including on the Lebanese-Syrian border with minimal civilian or army casualties. A 2017 operation to clean eastern Lebanon of over 700 ISIS fighters took a mere ten combat days, with seven LAF killed. The LAF arrested over 3,000 Sunni extremists in 2017 and several hundred more last year. Proud of their institution and mindful of increased public support, LAF officers already whisper resentment of Hezbollah's arrogant dismissal of the LAF. It is only a matter of time before this resentment comes out into the open.

However unappealing the occasional tactical accommodation, especially in the Hezbollah-dominated south, we should recognize that the LAF-Hezbollah relationship is not an eternal romance. The United States deserves credit for contributing to the LAF's professionalism and improved capabilities, and thus its enhanced local respect and independence. I regret that the current review suspending – I hope only briefly -- U.S. Foreign Military Financing (FMF) to the LAF has interrupted a predominantly good news story about LAF-U.S. cooperation, while giving Hezbollah, Syria, and Iran a convenient talking point about U.S. unreliability.

#### Dysfunctional Lebanese economy may force a change in direction

While the demonstrations have focused on immediate issues of jobs, garbage, and services, they take place against the backdrop of a looming financial crisis. As one of the highest debt-to-GDP ratios in the world – exceeding 150 percent – Lebanon has long teetered on the brink of financial disaster. The ability of the banking system to pursue clever financial engineering to prevent a plunge off the cliff seems to have run its course. With a tightening of visa restrictions for Europe and the United States, with a decline in employment possibilities in the Gulf states, the traditional outlet for Lebanon's youth – jobs (and possibly emigration) abroad – has lost its power to reliably churn large amounts of foreign currency remittances back into the Lebanese economy.

But the real problem is persistent economic stagnation. Debt can be managed in an environment of economic growth. Lebanon's GDP, even before the current demonstrations, was projected to expand by only 0.02 percent this year in real terms. Privatization of state assets – telecom, electricity – could produce revenues, if the privatization schemes could be trusted, as well as improve services over the longer term. And certainly credible, transparent governance, where the public good rather than personal gain motivates the political leadership, can contribute to economic improvements. A significant difference would derive from new investment and a return of Arab Gulf tourists, companies, and financial deposits.

Yet success in attracting Western and GCC investors will remain elusive without significant changes. Western and GCC investors will look elsewhere for opportunities if the Lebanese remain complacent about being part of what is seen as the Iranian/Syrian axis and if they tolerate an only intermittent commitment to transparency and rule of law. More pointedly, investors and tourists will not return in sufficiently large and predictable numbers as long as Hezbollah can on a whim pull Lebanon into war, with no reference to public opinion or government oversight. The Lebanese themselves will need to choose the path leading either to perpetual poverty or potential prosperity, by determining whether they will continue to accept poor governance

combined with the effective veto over government decisions that Hezbollah insists upon (while simultaneously rebuffing any public accountability for Hezbollah's own often deadly actions). Lebanese voters may not be able to strip Hezbollah of its arsenal overnight, but they can seize the next electoral opportunity to strip Hezbollah of the parliamentary partners it uses as force multipliers to assert its will politically: thus, Nasrallah's red line against early elections.

The protests may not produce immediate changes, but a constructive process has begun

As of this writing, it is not clear that Lebanon's besieged political class has any clue what kind of government might satisfy the demands of the street. The candidate currently being discussed for the premiership, businessman and former Finance Minister Mohamed Safadi, does not seem to represent a break from past practices, as initial hostility on the streets indicates.

Arguing that they are concerned about safety in a country where political leaders and social activists have been routinely murdered, the demonstrators have intentionally rejected the idea of promoting leaders out of the protests to negotiate on their behalf. This leaves an inchoate impression about who and what might be acceptable. (One has images of the scenes from the movie and play "Network," of people shouting from the windows about "not wanting to take it anymore," but without any clear proposal about what would replace the status quo.) This is an ominous sign that the status quo establishment figures, otherwise so divided, might find common cause in evading accountability and replacement, since the "street" might be less united than the picturesque demonstrations (complete with pots of bougainvillea as decoration) suggest.

Moreover, in contradiction to the carefully nurtured non-sectarian image of the demonstrations, some public frustration in Sunni-majority areas such as Tripoli emerged that "Sunni interests" were damaged when PM Hariri (a Sunni) resigned, when Parliament Speaker Nabih Berri (Shia) and President Aoun (Christian) remained in place. Lebanon's sectarian ghosts will be hard to exorcise.

After the missteps of Nasrallah's speeches, Hezbollah must be recalculating along with other status quo leaders about how to retain their prerogatives while somehow managing the popular mood. According to one rumor, some traditional sectarian leaders are musing about allowing an authentically technocratic cabinet to emerge – in the belief that the technocrats will "own" the predicted financial collapse, thus paving a way for the traditional leaders to pick their way through the financial rubble in a rush back to power. The preliminary (if temporary) nod to Safadi, however, suggests that the protestors are not going to get the purely technocratic cabinet they appear to want. But the sustained, widespread criticism of Lebanon's political class, sectarianism, and of Hezbollah have broken significant taboos. Furthermore, Syria's proxies in Lebanon and Iran's proxies in Lebanon – once viewed as virtually indistinguishable, singing their "resistance" duet in sinister harmony – show nascent but unprecedented signs of divergence. Even if not all the potential gains are realized immediately, 2019 is a turning point for Lebanon.

The U.S. cannot determine but can influence the outcome

The 2005 protests, which successfully forced the entrenched Syrian military and intelligence assets to leave Lebanon, offer an important lesson for today: the value of domestic initiative combined with external support. Had, say, the United States and France pushed 14 years ago for the Syrians to decamp to their side of the border, and had the Lebanese stayed home, the Syrians could have resisted the external pressure to go. Had the United States and France been looking away, uninterested, when the Lebanese took to the streets in such massive numbers, the Syrians would have displayed no qualms in crushing the demonstrations by force. The combination of Lebanese on the streets in massive numbers and the attention by the international community, led by the United States under President George W. Bush and France under President Jacques Chirac, gave the Syrians no viable option except the exit.

As in 2005, sustained attention and interest today – by Congress, by the Administration, by the UN Security Council, by others – can help protect the demonstrators. But the demonstrations cannot continue indefinitely, especially as average citizens tire of interruptions to daily lives and worry about the economic costs of paralysis. Sustained U.S. interest, attention and messaging can make a difference as the Lebanese struggle to decide how to proceed beyond the home-grown protests.

The trick for us is nuance. It would be unwise to interfere directly in Lebanese political decisions, which would make it too easy for Nasrallah (or Syria, Iran or Russia) to cite credible examples in predictable attempts to discredit the protestors and their demands as U.S.-directed. Nor should we be seen to be in the business of picking Lebanon's next prime minister (Safadi or anyone else) or specific cabinet ministers; those are exclusively Lebanese decisions. But as our own national interests and those of our regional allies will be affected by what happens in Lebanon, we have a responsibility to clarify our own views by our action and by our words. The Lebanese deserve to understand fully what the implications will be of the decisions they make on cabinet appointments and policies.

As a first step, the military assistance now under review should be rapidly released. This would put the U.S. on the side of national, credible institutions. At a time when the LAF's popularity is trending mostly upwards compared to what appears to be Hezbollah's reputational decline, we can reinforce what is, for us and for Lebanon, a positive momentum. Release of the assistance would also undermine the ongoing attempts by Hezbollah, Iran, Syria and Russia to entice the Lebanese into their orbits by calling into question U.S. reliability. Our military aid is never provided unconditionally; we also benefit from the partnership with the LAF. Our expectation that the LAF would improve its professionalism and readiness has been demonstrated vividly by successful counter-terrorism measures and by the (mostly) appropriate response to the protests. The United States can link the release of the FMF with an insistence that the LAF remain outside of politics and treat peaceful demonstrators with equal respect across the entire country, in Nabatieh as well as Beirut.

I would also recommend that we find ways publicly to reinforce the position that we do not want to see the financial or political collapse of Lebanon (lest chaos and civil war provide further opportunities for Iran, Syria and Russia to interfere) – but that our ability to mobilize financial

and economic support depends on decisions from the Lebanese themselves, including the composition and policies of Lebanon's next government. Yes, we are willing to stand with Lebanon, but on the basis of how the Lebanese wish to proceed. If the Lebanese government finally addresses the questions of governance and accountability, the international community can respond; if the government returns to "business as usual," we will not be able to mobilize support to prevent collapse. With the demonstrators calling for a technocratic rather than political government, our public messaging can emphasize our expectation that a new Lebanese government, if it seeks international support, should effectively and immediately address the reform aspirations of the Lebanese people.

While the decisions are theirs, the Lebanese, who have long lived complacently with the contradiction of self-identification with the West while harboring an Iranian terrorist subsidiary, need to understand the implications of the path they choose. In previous financial crises in Lebanon, Arab Gulf states shifted foreign currency deposits to the Lebanese Central Bank temporarily to shore up reserves; this could be repeated. The U.S., along with France and others, can lead engagement with the International Financial Institutions regarding support to Lebanon. With the right people and policies in place, a new Lebanese government might finally implement the reforms that could trigger release of a reformulated \$11 billion assistance package pledged at an international conference in Paris in 2018. Such measures would offer the Lebanese officials a brief respite, while they enact reforms --- long promised, never delivered, and now demanded by the population -- to put Lebanon's finances on a sustainable footing and to promote economic growth. But given past foot-dragging, the burden is on the Lebanese officials to overcome domestic and international skepticism, by choosing credible faces and policies for the incoming cabinet. Continued cronyism, corruption and coddling of Hezbollah will lead ever downward, while reform, accountability, transparency and reliance on national institutions instead of Hezbollah can attract the type of support to lead to a better destination, with the United States and others offering support and partnership. That should be our message.

Over the long term, U.S. interests in Lebanon would be best protected by what the Lebanese people indicate that they want: a prosperous, democratic, independent, fully sovereign, peaceful Lebanon, reliant (including for security) on effective, transparent government institutions subject to public accountability. With the right government in place and with renewed international support, this should not be impossible to achieve. At a bit more than 10,000 square kilometers, Lebanon is smaller than the New York City metropolitan area. The population of greater New York exceeds 20 million, whereas Lebanon, even including Syrian and Palestinian refugees, has a population of well under 7 million. Surely it can't be that difficult to provide reliable electricity, internet, and garbage collection to a Lebanese citizenry that, in general, is both well-educated and internationally connected. Nor should it be that expensive under the right leadership to attract support to put the financial situation on a better course: to put this in perspective, Lebanon's entire external debt (around \$35 billion) is in line with the estimates of what Saudi Arabia is bleeding every year in pursuing a war in Yemen (\$25-40 billion).

By releasing the military assistance now, by demonstrating we are paying close attention, and by making crystal clear the implications, good or bad, of the choices the Lebanese make, we can serve our own interests, contribute to the calculations the Lebanese will make regarding cabinet

and policy decisions, and prevent a vacuum that others would fill to our detriment. I again thank Congress and this Subcommittee for focusing on U.S. interests in Lebanon.



Mr. DEUTCH. Thank you, Ambassador Feltman.  
 Ms. Ghaddar, you are recognized.

**STATEMENT OF HANIN GHADDAR, FRIEDMANN VISITING FELLOW, GEDULD PROGRAM ON ARAB POLITICS, THE WASHINGTON INSTITUTE**

Ms. GHADDAR. Chairman Deutch, Ranking Member Wilson, and distinguished members of the committee, thank you for inviting me today to speak about my country, Lebanon. This is a summary of a longer statement that I submitted.

The core of the protests are the failing economic conditions and the persistent corruption of the ruling class, but they evolved to target the fundamental issues such as the sectarian system. The bleak economic situation is evident in the fact that Lebanon's readily available foreign reserves are now valued at less than \$10 billion, which are not expected to last more than three or 4 months. And economic collapse is likely. Only a government made up of independent technocrats can gain the confidence of the Lebanese people and allow the international financial assistance.

However, the current parliament with the pro-Hezbollah majority and the current President are not allowing it. Hezbollah is worried that a new, independent government would be the first step in isolating the party. Successful protests mean that Hezbollah will lose state entities through which they control the country's main security and financial decisions.

As Hezbollah is going through its own financial crisis, thanks to the U.S. sanctions on Iran, Hezbollah's reaction has been intimidation of the protestors. But to avoid an Iraqi scenario, Hezbollah is using its influence within State institutions, mainly certain units within the Lebanese army, to quell the protests.

The United States has so far provided the Lebanese army with \$2 billion since 2006 in military equipment and international military education and training. This aid is the most significant leverage the U.S. has in Lebanon. However, it is not the equipment that Hezbollah needs. It is the LAF security decisions. Today, the LAF stands at a critical juncture, and three main issues are troubling.

First, the LAF withdrew from portions of the south and the Beqaa, known to be Hezbollah's core areas. It is important to note that the Shia community that is Hezbollah's main constituency has joined the protests, which makes Hezbollah extra-anxious about losing its support base. As they intimidate the Shia protestors, the army was asked to leave.

Second, the LAF started unblocking roads using excessive force under enormous pressure by the authorities.

Three, factions within the LAF known to be affiliated with Hezbollah started a wave of unlawful arrests of activists. Some are still detained while others were released with clear signs of torture on their bodies. One has died.

You can clearly see the contradicting affiliations within the LAF units. For example, parts of the military intelligence and the Republican Guards that are close to the President are acting to fulfill Hezbollah's agenda. However, there are many army units that are not. These elements will be much needed if violence escalates and the economic crisis deepens.

So, what can the U.S. do?

On the aid for the LAF, continue urging the LAF to protect non-violent protestors.

The United States should reiterate that continued U.S. assistance to the LAF is contingent on safeguarding the protestors.

Urge the LAF to protect all Lebanese citizens, including the Shia.

Condition military aid to the LAF to ensure that the units within the army which are using excessive force do not benefit from it. It is vital that the U.S. aid to the army does not help units that are violating basic human rights.

Eventually, maybe redesign the aid package itself. My reading of the FMF authority is that it is for purchase by foreign governments of defense material, training, and related services. However, the most serious challenge facing the LAF will be salary payments. As the State goes bankrupt very soon, implications of absentee LAF members include security and ensuring integrity of U.S.-origin equipment, making sure equipment does not fall into the wrong hands. Therefore, I would recommend that the committee explore with the State and Defense Departments a short-term program to cover salary payments for certain units in the case of economic collapse.

Domestically, exert pressure on President Michel Aoun to call for immediate parliamentary deliberations and early elections. This current parliament cannot and will not lead required reforms.

Sanction Hezbollah's allies. President Aoun, Speaker Nabih Berri, and Foreign Minister Gebran Bassil are not only Hezbollah's main allies, they are also the most corrupt political figures in Lebanon. They need to be held responsible for the country's dire economy and instability.

Internationally, work closely with the Europeans to ensure that any stability-related financial aid to Lebanon is not provided unless early elections are called and reforms begin.

Finally, address Iran's regional operations. From Iran to Iraq and Lebanon, it has become very clear that Iran is not a factor of stability. Accordingly, any future negotiations with Iran need to address its regional presence and influence.

Thank you.

[The prepared statement of Ms. Ghaddar follows:]



## What's Next for Lebanon? Examining the Implications of Current Protests

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Testimony submitted to the House Committee on Foreign Affairs,  
Subcommittee on the Middle East, North Africa, and International Terrorism

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Chairman Deutch, ranking Member Wilson, distinguished committee members, thank you very much for inviting me to testify at today's hearing. It is an honor to speak to you today about U.S. policy toward Lebanon, one month after protestors took to the streets and three weeks after the government resigned.

### EXECUTIVE SUMMARY

For a month, nationwide protests have swept Lebanon due to deteriorating economic conditions and the persistent corruption of the ruling class. Two weeks into the protests, Prime Minister Saad Hariri resigned. When asked to form a new government, Hariri faced a deadlock, as he wanted to form a government made up of independent technocrats. It's what the protestors are demanding but it is also a requirement for outside financial assistance to Lebanon. A government of political figures—or even a mixed government of politicians and technocrats—is not one that would generate confidence at home or internationally.

It is still unclear who will form the new government. Hezbollah's camp within the parliament has nominated former minister Mohammad Safadi—who declined—and are now considering similar non-controversial names. Hariri might be asked again, but in any case, none of these names are suitable to form an independent technocratic government that would satisfy the protests' demands, because the current authorities—president and parliament—are still influenced by Hezbollah.

President Michel Aoun is a Hezbollah ally. In the 2018 parliamentary elections, Hezbollah and its allies won more than 70 of the 128 seats. Therefore, the current parliament—headed by another Hezbollah ally, Speaker Nabih Berri—will not accept a new government that would contain Hezbollah's power in Lebanon and within its state institutions. But a clearly pro-Hezbollah government rejected by most Lebanese will not prevent an economic disaster or isolation from the West and the Arab world. Lebanon could find itself on its own, as the Venezuela of the Middle East.

Hezbollah is worried that a new independent government would be the first step in isolating the party and eventually disarming it. However, if Hezbollah itself continues to intimidate the protes-

tors and possibly moves into areas of non-Shia religious sects to do so, this would lead the protests to ultimately become anti-Iran, as the case is in Iraq. To avoid this outcome, Hezbollah is using its influence within state institutions—mainly the Lebanese Army intelligence—to quell the protests.

But Hezbollah also is going through its own financial crisis—thanks to U.S. sanctions on Iran—and it will not be able to fund Lebanon when the economy collapses. Meanwhile, as it sides with corruption and the political class, Hezbollah is facing its first serious domestic challenge, as its own Shia constituency joined the protests.

The protests will continue and doubtless escalate, with more uncertainty regarding the economy, and the possibility of violence on the rise. But there are a number of opportunities for the international community to help the Lebanese people and contain Hezbollah.

In this testimony, I will examine the nature of these protests, assess the short-term and long-term outcomes of the fast economic deterioration on state institutions, and offer some recommendations on how Washington can best support the Lebanese people and contain Iran in Lebanon—preferably away from the public domain. The United States has some leverage in Lebanon that can be used to push for reforms and contain Hezbollah. The most obvious leverage is U.S. aid to the Lebanese Armed Forces.

#### WHY NOW?

The core of these protests is economic. The financial stress predates the October 17 revolt, resulting in the Central Bank (BDL) starting to ration dollars in September. It increased when it became clear that an approach to reduce the financial imbalances by increasing indirect taxation and reducing public services had become unacceptable to the population, given the deterioration of the social situation. The share of population in poverty is approaching the 30% mark (World Bank estimation), unemployment is high, and emigration of skilled youths is at record levels.

In 2018, the state's expenditures stood at \$16 billion and its revenues at \$12.5 billion, resulting in a fiscal deficit of over 20 percent. Moreover, debt servicing consumes 35 percent of expenditure. Lebanon's Central Bank is fast running out of foreign reserves, and the Lebanese lira has been on a painful journey of devaluation. Lebanon was hoping to secure \$1 billion in pledges, known as the CEDRE aid. But without real reforms, Lebanon cannot receive this aid.

In April 2018, Paris hosted the CEDRE Conference to help Lebanon raise funds to finance modernizing the country's infrastructure. But the conference's funding packages are conditional upon the implementation of budgetary and sectoral reforms that Beirut committed to last year. Two follow-up mechanisms are planned for the CEDRE process: a coordination group in Beirut, which is of a highly operational nature, and another that will bring together multilateral donors (the World Bank, the European Union, the United Nations) and the countries that have contributed the most (Germany, France, Saudi Arabia, Kuwait), which will have a more strategic and monitoring focus.

So far, Lebanon has not made the required reforms to receive the aid. The reforms required by the donors include filling current vacancies in the sectoral regulatory authorities in telecommunications, energy, and civil aviation. But most important, the Lebanese government had to show signs of commitment through the electricity reform plan.

Lebanon suffers daily power outages while the state power company is awash in subsidies. The

electricity sector costs the government around 2 billion U.S. dollars in deficit yearly; therefore, reforming this sector would cover a huge part of the fiscal consolidation promised to donors last year. However, a feasible plan hasn't been presented yet, because reform will not be in the interest of those benefiting from the problem, such as Foreign Minister Gebran Bassil.<sup>1</sup> The current political class has no interest in finding a solution to the electricity crisis, as they benefit from the alternative power providers, that is, the private electricity generators. Despite many offers from the international community to help in this regard, Lebanese politicians have so far refused any viable solution in order to maintain this gold mine. That is exactly why only a government of independent technocrats can start these fundamental reforms.

The Lebanese economy is in a state of stagflation, with a real GDP growth rate that is plummeting toward zero percent. Inflation also continues to rise and is expected to reach 10 percent this year. Probable causes for this rise are the government's protectionist measures on imported goods and the lack of foreign currency in circulation, which has led to a secondary market for the Lebanese lira and effectively devalued it. The ever-increasing fiscal deficit is a problem as well—it has grown by 100 percent since 2014 and is likely to exceed 11 percent of GDP.

The bleak economic situation is also evident in the fact that Lebanon's readily available foreign reserves are now valued at less than \$10 billion. The government will need these reserves to repay dollar-denominated bonds, cover for the withdrawal of Lebanese funds from banks, and manage basic currency needs. Barring any dramatic improvements, however, current reserves will only last another three to four months, and a recession remains likely.

In light of such challenges, a new government is needed as soon as possible—one that can gain the people's trust quickly. Reforms must then be put in place with the implementation of a financial stability package that can facilitate the recovery of foreign reserves. Diaspora support to the Lebanese economy has been vital in keeping it afloat, but such assistance may prove meaningless under the current leadership's mismanagement.

With this political class holding on to power, the economic crisis will only deepen, and we will see a fast devaluation of the Lebanese pound (LBP) on the informal market. In the absence of corrective measures, the LBP will continue to devalue in the upcoming period, with the possibility of spiraling out of control if reserves keep on being depleted.

In place of the current leadership, a transitional government composed of bureaucrats known for their impartiality should be enlisted to run the country. This body would be separated into three parts: economic, constitutional, and judicial. An economic committee would focus on bringing the Lebanese economy back from the abyss; a constitutional committee would draw up a new electoral law that is both nonsectarian and representative; and a judicial committee would create statutes to investigate current cases of corruption that brought Lebanon to its current economic crisis, as well as to prevent corruption and tax evasion.

On the economy more specifically, the newly instituted committee would set about implementing real reforms, as opposed to the cosmetic changes proposed by Hariri on October 20, the fourth day of the protests. These would include solving the crisis over electricity, which now consumes about a third of the state budget. They would also include controlling the borders and Hezbollah's smuggling of fuel and money to the Syrian regime, in addition to drug and weapons smuggling in and out of Lebanon. Finally, economic reforms must shrink the bloated public sector, from which

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<sup>1</sup> "Plagued by Cuts, Lebanon Survives on Floating Power Plants," Associated Press, July 22, 2018, <https://ap-news.com/20e21b2c469c4653ae32167f5ac631c/SOMNIA>

political leaders liberally award patronage jobs to their unquestioning supporters.

The electoral law proposed above would produce a new parliament, which in turn would result in a new president and cabinet. A serious effort to contain corruption in Lebanon would require applying the rule of law on old and new political figures, in order to prevent another crack in the fragile economy.

The root cause of Lebanon's economic hardships lies, however, in its loss of sovereignty. In fact, the leader of Hezbollah publicly acknowledges that its ideological, political, and military existence is subservient to the Supreme Leader of Iran. No country can remain stable or prosper if its major political and military decisions are controlled by a foreign or illegal power. When implementing Iran's agenda becomes more important for this political class than addressing the domestic economy and people's needs, the country cannot prosper.

Although the core of the protest is economic, the street rhetoric has developed over the weeks to address the deeper roots of the problem. It is not a coincidence that the most two corrupt political figures to be criticized by the protestors—Speaker Nabih Berri and Foreign Minister Gebran Bassil—are Hezbollah's two main allies. The protests' demands also transcended the economic ailments and are now focused on a new non-sectarian system that should start with a new non-sectarian electoral law and early elections, which would produce a new parliament, a new president, and a new government. There is a clear awareness in the streets that the economy cannot be revived with the same sectarian political system.

We also need to realize that these protests are unprecedented, and that the opportunities they provide are unique and exceptional. For the first time, the Lebanese people have realized that the enemy is within, their own government and political leaders, not an outside occupier or regional influencer. Also, political leaders have been unable to control the course of the protests, which are taking place across all sects and all regions.

In a way, these protests are driven by a generation that hasn't been dominated by civil war rhetoric, and is more concerned about the future rather than sectarian politics. It is a very significant moment because it highlights U.S. values of freedom and democracy and at the same time challenges radical thinking and propaganda. The United States does have an interest in protecting these protests and the leverage to do so. Among other things, this would help contain Iran's role in Lebanon.

If the international community does not realize the significance of this rare moment, extremist forces will win, as they thrive on chaos. Hezbollah leader Hassan Nasrallah made it clear in his most recent speech that the group doesn't mind a Yemen scenario in Lebanon. Chaos is not their enemy, but it is certainly the enemy of Lebanon's democracy and sovereignty.

#### **HEZBOLLAH'S DOMESTIC CHALLENGE**

Although chaos won't weaken Hezbollah, they still prefer the status quo, where they have a friendly government, an allied president, and a majority in parliament. A semi-functioning state—like the one they have enjoyed since May 2018—would provide Hezbollah with two significant components: first, international cover, under which the prime minister and president can communicate with the international community and offer stability in exchange for aid; second, an alternative source of income that Hezbollah urgently needs, since its own finances are depleting due to U.S. sanctions on Iran and the group's expenditures in Syria.

However, Hezbollah has come to realize that the status quo is more fragile than they thought, and that winning elections or declaring military victories is not enough. Likewise, Iran believed it had won the long game: Hezbollah prevailed in the parliamentary elections; they both managed to save their ally in Damascus, Syrian president Bashar al-Assad; and Tehran gained a lot more power in Baghdad through the Popular Mobilization Forces (PMF). But they forgot about the day after. Without a socioeconomic vision for these countries, Iran has failed to rule them.<sup>2</sup>

State institutions in Lebanon have one main job today: instead of protecting and serving the people, they have to protect and serve Iranian interests. Sovereign entities such as the Ministries of Defense, Finance, and Foreign Affairs have pro-Hezbollah ministers, through whom the group controls the country's main security and financial decisions. They also directly manage the Ministry of Health, through which they can serve their community, mainly the hundreds of thousands of fighters injured in Syria and the region. Hezbollah also benefits from its influence within the state to control all ports of entry: the airport, seaport, and the borders with Syria, where they can smuggle goods, weapons, money, and fighters.

Not only have the protests included Hezbollah in the corrupt political class that needs to step down, the Shia community—for the first time—has joined the demonstrations. For Hezbollah, when the Shia community decides to reclaim their national identity—against their sectarian Shia identity—this is a dangerous moment. The Shia of Lebanon have always been the backbone of the group's domestic and regional power. They vote for Hezbollah and its Shia ally Amal during elections, they fight with them in Lebanon, Syria, and Yemen. In return, they receive salaries and services offered abundantly by Iran and Hezbollah's other sources of income.

In the 2005 Cedar Revolution, when the Lebanese took to the streets in similarly large numbers to topple the government and push the Syrian army out of Lebanon, the Shia community did not join. Hezbollah asked the Shia to join its counter-revolution, or what came to be known as the March 8 protests. Back then, Hezbollah's credibility within the community was strong, and it still had the trust of the Shia community.

Today, three main factors have pushed the Shia to join the rest of the Lebanese in their nationwide protests. First, Hezbollah's costly involvement in the Syrian war, in addition to the its financial crisis resulting from U.S. sanctions hitting Iran, forced the Party of God to cut salaries and services, widening the gap between the rich and the poor within its own community. For example, the Shia drafted to fight in Syria were mostly from poor neighborhoods, while Hezbollah's officials—who live in a different part of the group's Beirut stronghold Dahiya—were benefiting from the war riches. But Dahiya is a very small place, and when the poor Shia suffering the Syrian war repercussions saw Hezbollah officials and their family members driving luxury cars and living in beautiful apartments, resentment was a logical outcome.

Second, Hezbollah's constituency was forced to accept Hezbollah ally Nabih Berri as a necessary evil to keep the Shia house intact. Although Berri's corruption was not in line with Hezbollah's narrative of transparency and integrity, the community turned a blind eye to his abuses for decades. But when Lebanon's economy started to deteriorate around the same time as Hezbollah's finances were being hit, these people could no longer pay their bills, find jobs, or benefit from the

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<sup>2</sup> Hanin Ghaddar, "Iran Is Losing the Middle East, Protests in Lebanon and Iraq Show," Foreign Policy, October 22, 2019 <https://foreignpolicy.com/2019/10/22/iran-losing-middle-east-iraq-lebanon-protests-bad-governance/>

group's services. Accordingly, Berri's corruption and outrageous wealth will no longer be tolerated.

Third, Hezbollah promoted itself as victorious after Israel's withdrawal from Lebanon in 2000, and then claimed divine victory after the July war with Israel in 2006. The group then claimed victories in Syria against its new enemy, Sunni extremism. However, none of these victories translated into well-being for the Shia or the Lebanese public in general. Military victories were used to advance Iran's agenda in the region, but the Shia in Lebanon became more isolated than ever. Countries in the Gulf and Africa no longer welcome Shia businessmen and employees as they used to. Lebanese banks are more suspicious of the Shia, especially after the United States sanctioned Beirut-based Jammal Trust Bank based on its financial ties to Hezbollah. The Shia eventually realized that they only have Hezbollah, a group that can only provide weaponry and tales of victory. As one protestor told a television reporter, "We are all pro-resistance and we will be with Hezbollah when they fight Israel, but we are hungry, and the Israelis are eating." By joining other Lebanese, the Shia community was attempting to claim their Lebanese identity, versus their Shia identity that has failed them so far, and that has become intrinsically tied to Hezbollah and Iran.

Hezbollah understood what these protests have achieved, and realized the magnitude of the loss its majority government, its ever-loyal president, and its democratically elected parliament will suffer. He made it very clear that he will not allow it.

It is no secret that Hezbollah has benefitted financially from its control of state institutions, more so since Iran cut its yearly budget by half. Hezbollah had to cut services and stop paying salaries to contractors and unnecessary employees. Instead, it started taking advantage of the presence of its ministers and allies in the government in order to offer jobs and services to its supporters. That worked until the state was no longer able to serve Hezbollah. When Lebanon's economy hit an unprecedented low, it was clear that Hezbollah's needs were greater than the Lebanese state and beyond its means.

Losing the financial benefits is one thing, but losing the say in politics and security decisions is another. That's why Nasrallah, in remarks made on October 19, made it very clear to both the political class and the demonstrators that he opposes the toppling of the government, and warned against it. The streets reacted strongly against Hezbollah. First, they started calling Nasrallah by name as part of the political class, after refraining from criticizing his group publicly. Second, more Shia took to the streets in areas considered Hezbollah strongholds, such as Nabatiyah in the south and Baalbek in the Beqa Valley.

In short, Hezbollah's long-term plan failed. Since the group moved from the opposition to the authority in April 2018 when it won the parliamentary elections, it has failed to maintain the thin line that separated its state from the Lebanese state. Instead, it burrowed deeper into state institutions and insisted on blurring this line further, causing more isolation of Lebanon by an international community that had previously supported its political and financial stability.

Going forward, Hezbollah will keep doing what it does best: rather than stepping back and allowing reforms to be implemented by a new government with qualified ministers, it has resorted to force. Nasrallah made it very clear: his government will not fall. So far, Hezbollah is trying to avoid the Iraq scenario by eschewing direct confrontation with the protestors. Instead, it seeks to create a rift between the protestors and the army by using the Military Intelligence Unit.

#### **U.S. AID TO THE LEBANESE ARMY**



The United States has so far provided the Lebanese Armed Forces (LAF) \$2 billion since 2006, in military equipment and through International Military Education and Training (IMET). Over the past thirteen years, the LAF has developed to the point that many U.S. military officers now consider it to be the best Arab army.

The issue with the LAF has never been capability but politics. Today, the LAF remains institutionally incapable of taking on politically sensitive missions, such as confronting Hezbollah and addressing the issue of its arms. Successive Lebanese governments have legitimized Hezbollah's weapons and its "resistance" mission against Israel in their ministerial statements.

In 2006, after the war between Hezbollah and Israel ended, the LAF deployed to the south for the first time in decades. Many hoped that the LAF might help implement UN Security Council Resolution 1701, which obliged Lebanon to prevent the postwar rearming of Hezbollah. Over the past thirteen years, however, the LAF has failed to do so, mainly due to the unwillingness of successive Lebanese governments to implement 1701.

In 2008, the then pro-West government in Beirut mandated the removal of Hezbollah's dedicated fiber-optic network from the south up to Beirut and the removal of LAF General Wafiq Choucair, the Hezbollah-sympathetic officer who ran Beirut airport. But when the LAF declined to remove Choucair and the government persisted in its demand, Hezbollah militarily took over large swaths of the capital, killing nearly a hundred civilians. The LAF did not challenge Hezbollah's offensive, and after the government backed down, the LAF coordinated with Hezbollah and took up Hezbollah's positions following its withdrawal.<sup>3</sup>

Since the Syrian war began in 2011, the LAF has done nothing to prevent the movement of Hezbollah troops and weapons into and out of Syria, where the militia has been fighting in support of the Assad regime. The LAF also conducted aggressive campaigns against Syrian refugees, violating human rights on many occasions.

In June 2013 in particular, Hezbollah-LAF cooperation reached dangerous limits, when the two forces fought side by side against two to three hundred heavily armed supporters of the anti-Assad Salafi cleric Sheikh Ahmed Assir in the southern city of Saida. They also coordinated during a similar campaign in Tripoli the year after.

The LAF has a great record of accounting for its U.S.-origin equipment, having transferred none of it to Hezbollah. However, it is not the equipment that Hezbollah needs; it is the political and security decision that Hezbollah wants to influence.

Today, the LAF stands at a very critical juncture. The United States has made clear that it is the LAF's job to protect the Lebanese protestors against intimidation. This worked during the first couple weeks, when the LAF managed to protect the protestors against violent attacks carried out by Hezbollah-affiliated thugs who stormed the squares where the protests gather.

However, three main issues have shifted since then, and it shows both the division within the LAF and its mixed loyalties. First, the LAF withdrew from portions of the south and Beqa known to be Shia areas. When Hezbollah started intimidating Shia protestors in Nabatiyah, Tyre, and Baalbek

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<sup>3</sup> David Schenker, "U.S. Security Assistance to Lebanon at Risk," The Washington Institute for Near East Policy, August 3, 2017, <https://www.washingtoninstitute.org/policy-analysis/view/u.s.-security-assistance-to-lebanon-at-risk>

using violence and threats, the army was not present to protect them. The LAF continued protecting protestors in non-Shia areas.

Second, after three weeks of Hezbollah trying to get the protestors to open the roads, an act that made the protests efficient, the LAF finally budged and opened the roads by force, sometimes by using their weapons. This has recently led to the killing of a protestor in front of his son and wife in the middle of Khalde highway. It was later revealed that the army officer who committed the crime is from the Military Intelligence Unit.

Three, factions within the LAF's Military Intelligence Unit—known to be the closest and most affiliated with Hezbollah and the president—started a wave of arrests of activists. Some are still detained, while others were released with clear signs of torture on their bodies, and with disturbing testimonies.

These shifts in the army's behavior show that there are contradicting affiliations within units, and that parts of the army's Military Intelligence and the Republican Guards seem to be acting on their own to fulfill Hezbollah's agenda, away from the Army's General Command. This is a major shift that should concern the United States, mainly because of the generous U.S. aid to the LAF.

### RECOMMENDATIONS

As the Lebanese Armed Forces are showing seeds of divisions, with Military Intelligence arresting, torturing, and murdering protestors, it is vital to address U.S. military aid to Lebanon. However, any such effort must keep in mind that there are many army units that oppose the arrest and torture of unarmed protestors. These elements will be much needed if violence escalates and the economic crisis deepens.

The Lebanese state is facing bankruptcy sooner than expected, and the state will no longer be able to pay salaries to public employees, including the army and security officers. Foreign aid will be needed to save the country from total collapse and chaos, but it should not be provided without conditions that ensure sovereignty and a new political class that is not corrupt. Therefore, a government of independent technocrats and early elections should be the main requirements for Lebanon to receive any financial assistance.

There is an urgent need to form a credible government that can inspire confidence—internally and externally—and reduce the catastrophic risks looming ahead. This new cabinet needs to make the crucial decisions required to implement real reforms, work on a non-sectarian electoral law, and supervise early elections. Foreign aid, including the CEDRE aid, should not be released before a new, credible government takes these necessary steps. In addition, aid needs to be sequential, based on the achievement of certain milestones in implementing reform and designing an electoral law.

Hezbollah will try its best to resist the change, and will work harder to break the LAF. Eventually, it will likely use its own weapons against the people if all else fails.

### On Aid to the LAF:

- *Continue urging the LAF to protect nonviolent protestors.* The United States should reiterate that continued U.S. assistance to the LAF is contingent on safeguarding protestors. The notion of “command responsibility” should be observed in the sense that the LAF's

command will be called into question if any of its sub-entities—mainly Military Intelligence—violate human rights.

- *Urge the LAF to protect all Lebanese citizens, including Shia.* The LAF have vacated all the Shia towns and cities in Lebanon. In turn, Hezbollah's constituency has decided to join the rest of the people and regain their national rather than Shia identity. The LAF needs to protect this aspiration and protect them when needed.
- *Condition military aid to the LAF to ensure that units within the Military Intelligence and Republican Guards do not benefit from it.* It is vital that U.S. aid to the army does not benefit units that are violating basic human rights. On the contrary, the LAF should be pressured to further protect protestors and safeguard basic rights such as freedom of assembly and freedom of thought and expression.
- *Redesign the aid package.* If the state goes bankrupt and is no longer able to provide salaries to public employees, including the army, the entire aid package needs to be redesigned to ensure that reliable units within the army can still function under its leadership to protect Lebanon and the people against violence committed by other units or Hezbollah.

#### **Domestically:**

The United States and Europe should not go into the nitty-gritty of cabinet formation in terms of form and composition, but they should nonetheless call for the constitutional process to be observed. In this context:

- *Exert pressure on President Michel Aoun to call for immediate parliamentary deliberations for designation of a new PM to materialize.* The pretext for such an immediate call should be linked to the formation of a new independent and qualified government, headed by a trusted prime minister, outside Hezbollah's choices.
- *Sanction Hezbollah's allies.* Aoun, Berri, and Bassil are not only Hezbollah's main allies, they are also the most corrupt political figures in Lebanon, and the main figures that the protestors are calling out. It is time to start sanctioning these individuals to send a message of support to both the Lebanese people and future cabinet members that corruption and alliance with Hezbollah will not be tolerated. It is time for these figures to be held responsible. This would also cripple Hezbollah politically. Without such allies, the group's power within state institutions will be contained.

#### **Internationally:**

- *Work closely with the Europeans,* mainly the French and the Germans, to ensure that any stability-related financial aid to Lebanon—including CEDRE—is not provided unless a new, independent, and transitional cabinet is formed to work on reforms and early elections. Otherwise, international aid will simply be absorbed again by the corrupt ruling class, and will eventually benefit Hezbollah.
- *Address Iran's regional operations.* From Iraq to Lebanon, it has become clear that Iran is not a factor in providing stability, so its regional power should no longer be tolerated. When Iran's own support base can no longer accept Tehran as its ruler, the international

community needs to listen and understand the deep rift between Iran's proxies and its alleged supporters. Accordingly, any future deal or agreement with Iran needs to address its regional presence and influence, and realize that Tehran's power is more fragile than the world perceives. Most important, policymakers need to realize that the Shia do not belong to Iran, and that maybe it is time to start working directly with Shia communities. The core of the crisis today is economic. Therefore, securing economic alternatives for Shia communities in Lebanon is vital. However, this can only work through a representative and independent government to make sure Iran does not benefit from any of these alternatives.

Mr. DEUTCH. Thank you very much, Ms. Ghaddar.

Thanks to all the witnesses.

We will turn to questioning by the members, and I will actually defer to Mr. Wilson to start us off.

Mr. WILSON. Thank you, Mr. Chairman.

And thank each of you. Each one of you were very perceptive and show a deep concern for the people of Lebanon, with which many of us associate because Lebanese-Americans are so enterprising and well-thought-of in our local communities. And so, it is particularly distressing to see what should be such a vibrant country have such a dire economic future.

With that in mind, Ms. Ghaddar, there have been attempts to reform the economy and address Lebanon's phenomenal financial distress of a debt service equal to half of the government's revenues. Why have these efforts failed? What reforms should be promoted?

Ms. GHADDAR. Thank you very much for this is a very important question.

The CEDRE aid which was dedicated to Lebanon in 2018 addresses many of these reforms, especially reforms of the electricity sector which takes a huge number of Lebanon's budget and, also, the augmented public sector. It is very clear what reforms should be implemented. It is all listed in the aid.

I think the problem is that, because the political class are so corrupt, they are benefiting from the electricity sector and the augmented public sector. For example, they use the public sector to employ their own supporters who do not do anything. So, this is a big deal.

These are some of the reforms that can be done. However, the current authorities failed since the CEDRE aid in Paris was announced to implement these reforms because they will not benefit from them. On the contrary, they will lose. So, that is why they, themselves, cannot implement these reforms. And CEDRE aid is there. It is \$11 billion US dollars that are ready to be given to the Lebanese State on condition of these reforms.

Mr. WILSON. Thank you.

And, Ms. Yacoubian, what do the current protests mean for Iran's primary proxy Hezbollah? Is there a way that the U.S. can leverage the momentum of these protests to drive a further wedge between Hezbollah and the people of Lebanon?

Ms. YACOUBIAN. Thank you.

Clearly, as I noted in my oral statement and as well in my written testimony, Hezbollah has also been impacted by these protests. Shia communities have taken part in the protests. There have been demonstrations in areas that are considered Hezbollah strongholds. As I note in my written testimony, what was once called "the wall of fear" surrounding any sort of open criticism of Hezbollah, of Hassan Nasrallah, there are cracks in that. So, that is significant.

I would argue that this movement is powerful because it is Lebanese, because it is organic. And as I note in my testimony, I think the most important thing the United States can do with respect to the protests themselves is step back, is continue to provide the sort of very important assistance we provide and have provided, whether to the Lebanese Armed Forces or our economic assistance to Lebanon, which is also significant. But I think the extent to which

the United States attempts to put itself frontally into these protests will only backfire, will serve to discredit the protests. And, in fact, the protestors themselves have been quite clear that they are not interested in support from any foreign power, from any sort of foreign interference.

At the same time, as I noted, I think if we see the protests, if we can allow for an environment that enables not only the protests to continue, but, more importantly, their demands to be fulfilled for responsive governance, for an end to corruption, for strong State institutions, that, to my mind, is the most important counterweight to Hezbollah. That kind of transition in Lebanon will do more, in my view, to undermine Hezbollah than an attempt to, sort of in a ham-handed way, manipulate the current protests as a cudgel against Hezbollah and, by extension, Iran.

Thank you.

Mr. WILSON. And, Ms. Humud, with the current protests underway in Lebanon, Iraq, and Iran—and there were reports today of deaths across Iran in the past couple of days—is this part of a bigger movement? Or how do you contextualize this?

Ms. HUMUD. I think in some ways this is part of a broader trend of societies and populations demanding fundamental reforms and dissatisfaction with corruption. That being said, there are specific elements that are particular to Lebanon. The sectarian element is one that is particular to Lebanon, and that has really been a unique factor of this movement.

Mr. WILSON. Thank you. My time is up, and I appreciate the chairman being so magnanimous to let me go first. Thank you.

Mr. DEUTCH. Thank you, Mr. Wilson.

Before going to Mr. Watkins, can I just ask—Ms. Humud, we have heard throughout the day, throughout this hearing, that one of the key demands is an end to a sectarian political system. Can you just give us some perspective on what that system is now that they are protesting against?

And then, we will go to you, Mr. Watkins.

Ms. HUMUD. Sure. The Taif Accords that ended Lebanon's civil war mandated a sectarian system that divides or distributes political power based on religious or sectarian identity. So, Lebanon's parliament is evenly divided between Muslims and Christians, and that division filters its way down to the cabinet and into other State institutions. And so, what this means is that Lebanese citizens in some ways organize and are mobilized based on their religious or sectarian identity rather than on an issues-driven basis. And that is primarily what the protestors are seeking to address, rather than a system whereby politicians are able to divide citizens based on identity, that they can identify these sort of cross-sectarian issues that really are common to all citizens, primarily the economy at this point.

Mr. DEUTCH. Thanks. Ultimately, the desire to be viewed as Lebanese citizens rather than Sunni and Shia or——

Ms. HUMUD. Yes.

Mr. DEUTCH [continuing]. Hezbollah?

Ms. HUMUD. Yes.

Mr. DEUTCH. Thank you.

Mr. Watkins, you are recognized.

Mr. WATKINS. Thank you, Mr. Chairman.

Thanks to the panel for being here.

I would like to ask about the international response. And I am going to throw these questions to anybody. Particularly European, Russian, Iranian response to the protests, what have those been like?

Ms. GHADDAR. On the Iranian part, I have been following very closely the Iranian responses. Obviously, it was exactly as Hezbollah's responses, that these protests are rightful in their demands. But that they have been penetrated by the Mossad and CIA and all the Western intelligence to direct them. That it is not about reforms anymore. It is about fighting the axis of resistance, et cetera, et cetera; discrediting the protests, and siding with the authority.

At the beginning of the protest, the Iranians and Hezbollah together, at the very beginning they said that this government is not going to fall. And for the first time, Hezbollah was wrong; the government resigned. The first speech of Hassan Nasrallah was siding with the authorities against the protests. In his second speech Hassan Nasrallah was becoming the authority against the protests. He now is the authority. The people in the streets see him as the authority. They all see an Iranian influence in Lebanon. And that is why, for the first time, you see people turning against Hassan Nasrallah himself.

Now it is very obvious; Hezbollah is blocking the formation of a new, independent government. The Iranians and Hezbollah's position has been, with the authority, against the people.

Mr. WATKINS. Let me actually jump over to the economy and corruption, please. What can the U.S. do to help the people of Lebanon counter corruption? Anybody?

Ms. GHADDAR. As I mentioned in my recommendations, it is to stress on the early elections and independence.

Mr. WATKINS. Thank you.

Go ahead, sir.

Ambassador FELTMAN Thanks for the question.

I think, in general, many of the Lebanese status quo leaders, the ones that the protestors are demanding be ousted, probably believe they can wait out the protests, that the protests cannot go on forever. And then, they can go back to their normal way, business as usual, and avoid any kind of accountability or scrutiny of what has happened.

But what is different this time is the financial crisis that people have mentioned. The financial crisis is basically a ticking bomb. And that gives the protestors and the outside supporters of the idea of an independent, sovereign Lebanon some leverage.

The United States showed leadership back in 2006 after the war between Hezbollah and Israel in helping to shore up Lebanese finances at that time, helping to persuade Gulf Arab States to put money into the central bank, deposits to shore up the currency, come up with the international assistance package, bring in investors. All these things can be done again.

But I think it should be clear to the Lebanese that we are not going to exercise our leadership or our political investment in these types of initiatives unless they make the fundamental changes,

that this will have a long-term impact. Those privatization ideas dealing with the telecom, with the electricity, with offshore hydrocarbons, right now no one on the street would trust those as actually benefiting the people or providing various services over the long term.

So, I think you could put together a package, but the package needs to be linked with fundamental changes inside Lebanon about how Lebanon is going to be governing going forward and how do you resolve that contradiction between a Western ally of Lebanon and the fact that they are harboring an Iranian terrorist organization?

Mr. WATKINS. Understood.

One last question. The Lebanese institution, the military, how is the army viewed by the Lebanese people?

Ms. YACOUBIAN. I will take an initial stab. I think the army is the institution that is most respected by the Lebanese public. It is a cross-sectarian institution. I think my colleagues have rightly pointed out ways and areas in which there are elements of the Lebanese army that have not behaved properly. For the most part, the Lebanese army has, in fact, conducted itself professionally. It is very well regarded by the Lebanese in polling and other types of instruments to indicate popular support, or lack thereof.

Mr. WATKINS. Understood. Thank you.

Ms. GHADDAR. Can I just add one little thing?

Mr. WATKINS. Yes, sure.

Ms. GHADDAR. It is really the army intelligence. There is a huge difference between the army intelligence and the rest of the army units. The people today see the difference and the Lebanese still respect the army, but they do not respect the army intelligence.

Mr. WATKINS. Understood. Thank you.

I yield.

Mr. DEUTCH. Thank you, Mr. Watkins.

I would just like to followup on much of this discussion about reforms to the corruption in the political system. There have been calls from the international community which have offered assistance to national reforms of Lebanon's government. Are these protests sufficient to bring about the reforms? And how much does it matter that the perception is that these protests are essentially leaderless? How can we get to make it stick?

I guess, Ms. Ghaddar, we will start with you.

Ms. GHADDAR. The protests are leaderless for a very good reason. The authorities have been looking for leaders to discredit them. They have been looking for leaders to arrest. They have been looking for leaders to intimidate. And that is why the protests are leaderless. One, for people to be safe, to protect themselves. And two, because it is really not about leadership this time. This is a real movement. It is not like the 2015 Uprising that started with civil society. It is not like the 2005 Cedar Revolution which was led by the March 14 political camp. This is organic. This is pure Lebanese.

And a lot of people try to represent themselves as representatives of the protests, the representatives of the revolution. They were all shunned. It is very important that we need to keep it



leaderless because the objective is not to negotiate with authorities. The objective is to bring down the authorities.

The next step, I think for the protestors themselves, and for a lot of people following Lebanon, is the following: the protest itself cannot change anything in terms of avoiding the economic collapse. The protests can push for change. The first achievement is that the government resigned.

The second step is the small sample of elections that we had, which is the syndicates of the lawyers, the independent candidate won. For the first time ever, an independent candidate won. This tells you that elections can change things. It made people realize that the next step is actually beyond the government formation. It is really about early elections, based on a non-sectarian electoral law that would produce a new parliament, a new government, and a new President. And this is how we can actually move things forward.

Mr. DEUTCH. Thanks.

Ambassador Feltman, what can the United States and the international community do to help with both the call for early elections and the anti-corruption efforts?

Ambassador FELTMAN I do think that the U.S. needs to release the FMF right away to show that we are supporting the national institution that, as Dr. Yacoubian said, is most respected in Lebanon. So, the FMF needs to go.

But, beyond that, the fact that there is a financial crisis, the fact that everyone knows there is a financial crisis that needs to be avoided because of the risk that chaos just enables Iran and Al-Qaeda-type things, gives us some leverage.

We have talked about the 2005 demonstrations and how these are different, but there is a lesson in the 2005 demonstrations that I think we need to keep in mind. Had the Lebanese themselves gone out, and the international community was paying no attention, and called for the Syrian occupation to end, those Lebanese protests would have been broken up brutally by the combination of the Syrian army and intelligence services. Had the international community been calling for the Syrian occupation to end, but the Lebanese were home and not paying any attention, nothing would have happened. It was the combination of the street protests in 2005 and the attention by the international community working in tandem that forced the Syrians out.

We could have the same formula now. We do not know who the protest leaders are. They do not want us to know who their leaders are. There are not any leaders. But we know what their basic demands are. Those would be the same demands we would have, as the international supporters of Lebanon, for transparency and end to corruption, new electoral law. If we make it clear that the only escape from the financial crisis is implementing what the protestors are demanding, we have bottom-up pressure from the street, outside pressure, multiplied by that financial crisis. I think we could make a difference.

Mr. DEUTCH. Ms. Yacoubian, we hope that this hearing will help make a difference. How else can we contribute to this? What is your sense of how to strengthen the movement that is trying to accomplish these goals?

Ms. YACoubIAN. Again, first, I would underscore I think the movement, in and of itself, demonstrates the creativity, the ingenuity, sort of the talent, quite frankly, of the Lebanese. If you go online and watch Twitter and look at some of the things that they are doing, it is quite impressive. So, I do not know that they need help from us in that regard.

I would sort of underscore Ambassador Feltman's point. I think this impending economic meltdown—and that is really what we are looking at—is a real forcing mechanism for action. The protestors have been quite clear about what they want. And again, it is very much, I think, about early elections, in particular.

The U.S. has a lot that we can contribute in that regard. In my written testimony, I underscore the need to provide, for example, and to renew our assistance with regard to elections, observations, et cetera. I think that this is a moment where the international community quietly—France, the United States, other key powers—can really push and pressure the need to fulfill the demands of the protestors, and then, ideally, follow in with appropriate assistance to help Lebanon pursue free and fair elections going forward.

Mr. DEUTCH. And finally, Ms. Humud, can you just give us a bit of historical perspective here on what these demands are and why, given Lebanon's history, the demands are not only not unreasonable, they are consistent with what we have seen before?

Ms. HUMUD. The demands are definitely consistent with what we have seen before. As my colleagues have mentioned, the U.S. could respond in some ways by supporting protestor demands for change and conditioning U.S. assistance on reform; potentially targeting corrupt leaders, regardless of sect. There would be tradeoffs to this approach, of course. It could require severing ties with some of our traditional political allies in Lebanon. That, in turn, could push them toward external power brokers such as Iran, who share their goal of preserving the status quo. So, regardless of the approach the U.S. chooses to take, there will always be a tradeoff.

In terms of Congress' role specifically, Congress could always pass legislation directing U.S. representatives at multilateral banks, development banks, to advocate for specific economic policies vis-a-vis Lebanon.

Mr. DEUTCH. Thank you very much.

We do not want to push them toward outside actors like Iran. And I will circle back to that, Ambassador Feltman.

But, Mr. Vargas, I would like to recognize you for 5 minutes.

Mr. VARGAS. Thank you very much, Mr. Chair and Ranking Member, and, of course, the witnesses here.

Back in April 2017, I was able to take a codel with Darrel Issa to Beirut and other parts of Lebanon and got a chance to meet with a number of people while we were there. Of course, there was great concern about Hezbollah in the southern part of Lebanon. And I continue to have, of course, that great concern of what is going to happen there.

I apologize, I had to miss part of the meeting earlier. So, I apologize for that. That is what happens when you have two meetings at the same time, two hearings.

But I have great concern about that and the military buildup. And I would like to hear from you what you think is going to hap-

pen in the next few years because of that military buildup. Who would like to take that? Ambassador, why don't you handle that first?

Ambassador FELTMAN I think that, as we saw in 2006, the risk of unanticipated war between Lebanon and Israel, between Hezbollah and Israel, is always there. It was a devastating war in 2006. At least on the Lebanese side—I was Ambassador at the time—it was not anticipated, and that risk is always there.

I think that my view is that, because of its exposure in Syria right now, because of the exposure to domestic criticism, Hezbollah is not interested in a war with Israel at the moment. But that does not mean that a war with Israel will not happen. There could always be a miscalculation.

But what I do think is encouraging, though, is the increased capabilities of the Lebanese Armed Forces. When I was Ambassador in Lebanon in 2007, the Lebanese army struggled for 5 months, from May to September, to take out a Sunni terrorist organization, Al-Qaeda affiliate called Fatah al-Islam. It took 5 months and there were 158 LAF soldiers killed, along with 50 civilians and an entire Palestinian refugee camp. Nahr al-Bared was completely destroyed, the home of 30,000 civilians.

Fast forward to 2017. The Lebanese Armed Forces had an anti-terrorist operation on the eastern border with Syria where they were able to capture over 700 ISIS fighters with only seven LAF officers killed in only 10 combat days. That is in our interest, to see the Lebanese Armed Forces be combating terrorism. And the capabilities have improved because of the assistance, mentoring, FMF that we have provided.

Mr. VARGAS. I appreciate it. But one of the concerns from some of the people that we spoke to was that the LAF, in fact, was not going to be too involved in things that happened in the southern part of the country when it came to questions of Hezbollah and the fact that they would not be involved in that. I mean, I do not know if that is common thinking for everybody, but that certainly was the case with a number of people.

Ambassador FELTMAN I mean the Lebanese Armed Forces does reflect the Lebanese society.

Mr. VARGAS. Right.

Ambassador FELTMAN Every family has relatives at some level in the Lebanese Armed Forces. The Lebanese Armed Forces basically operates, tries to stay apolitical in a country where there is very little political consensus about how to move forward.

I would argue that, if our benchmark for success with the Lebanese Armed Forces military assistance is that they take on Hezbollah frontally, that that is a mistaken benchmark; that that causes civil war. And Lebanon civil war is what gave Hezbollah the opening to begin with.

Mr. VARGAS. Right.

Ambassador FELTMAN Hezbollah civil war—

Mr. VARGAS. You are right. That was my question. Because it seems like, when you are talking about the LAF, and I am asking, what do you think is going to happen in the south, well, the LAF. I thought, well, the LAF is kind of non-existent; they are a non-issue in the south.

Yes, go ahead.

Ambassador FELTMAN I will turn it over to Dr. Ghaddar.

Mr. VARGAS. Doctor, go ahead.

Ms. GHADDAR. I do not think Hezbollah would want the LAF to be involved in the south in case of any war with Israel or others. They do not need the LAF. Hezbollah does not need the LAF fighting capacities. They do not need their equipment. They do not need their training. They have more than that. So, this is not the issue for Hezbollah.

What they need from the LAF, actually, is the security and military decisions. Their access to certain units and commanders is what they need. It is not the LAF itself. So, looking forward, we need to think about Hezbollah's access to these decisions.

What I am worried about, looking forward, is that there is a potential split between the units because, as the crisis deepens and the economy crisis deepens, we will see more units moving in different directions, some closer to Hezbollah's agenda, some not. And eventually, when the economy collapses, who is going to pay salaries? The military equipment and training provided by the U.S. is going to be useless when they do not have salaries. So, this is something to think about.

Mr. VARGAS. My time has expired. Could I take 30 seconds?

Thank you very much for that answer.

And the last thing I would say is this, though: the issue of sectarian identity and the notion that there could be free and fair elections without taking into account sectarian identity, that certainly would go against what I saw while I was there. And again, I do not pretend to be an expert. I did get a chance to meet with different groups, and there is a very, very strong sectarian identity. And I do not know that having an election where some of those groups did not hold onto some sort of power would actually be beneficial. It probably would cut the other way, I would assume, but I do not know. Again, I am not an expert, but that did concern me when I heard, you know, to have early elections and have one group win and sort of dominate the politics, I thought, well, that is the old civil war that they had from 1975 to 1990, and we certainly do not want to go back to that.

Ms. GHADDAR. Just one thing I should say. Since then, much has changed. I do not think the issue today is the sectarian identity. When you see the Lebanese protestors today, how united they are, and how the small elections that we had 2 days ago at the syndicates of the lawyers, what it means, I am not worried about that.

Mr. VARGAS. OK.

Ms. GHADDAR. I think things have changed, and it also depends on the nature of the electoral law.

Mr. VARGAS. Yes. OK. Thank you very much.

And, Mr. Chair, thank you very much. Ranking Member, thank you.

Thank you, witnesses.

Mr. DEUTCH. Thank you, Mr. Vargas.

We have got just a few more questions if the witnesses will indulge us.

Mr. Wilson, you are recognized.

Mr. WILSON. Thank you, Mr. Chairman.

Indeed, I appreciate the point of view of providing for economic reforms. And then, in terms of reforms to the government, technocrats, how do you identify corruption? What would be the definition of corruption? And we will begin with Ms. Humud and proceed all over. But how do you identify what the definition is of corruption? What are some examples of corruption? And who would you report the corruption to? And is there any independent judiciary or body to which corruption can be reported?

Ms. HUMUD. Sure. Prime Minister Hariri, before his resignation, did float the idea of an anti-corruption committee. That is something that has been floated before, and we have not seen a lot of progress on there.

One thing that various government officials before their resignation tried to do is this issue of financial disclosure and of lifting banking secrecy on their accounts to show greater transparency on the funding that they have, where it goes. I think there is also an additional issue of the budget, oversight of the budget, and budget auditing that has not been fully transparent in the past.

Ms. YACUBIAN. I would just add, very briefly, I think identifying corruption will not be difficult. It is pervasive; it is endemic. It is interesting to note that, in a recent Gallup poll, 93 percent of Lebanese believe that there is corruption around them. The country ranks 138th in the Transparency International poll.

So, I think the issues really have to do with the ways in which this sectarian system that undergrids things—the families—and the ways in which, for example, contracts are guided toward particular families. This is why the garbage crisis came to what it came to with literally rivers of trash flowing in Lebanon.

There has been some interesting research done on the extent to which, even down to the municipalities—that is where the rubber meets the road in terms of addressing everyday problems—that the corruption is so pervasive that it impedes effective solutions, because, again, it is about contracts and business and other things being steered toward favorites. So, there is quite a bit of cronyism.

And I think, from my perspective, we have to be clear. This is an issue and a challenge in Lebanon that we are not going to be able to solve, that the Lebanese will not be able to solve, even despite the immediacy of the current problem. This is a generational challenge that is going to take quite some time to address.

Mr. WILSON. Ambassador.

Ambassador FELTMAN I think our interest is to prevent a collapse in Lebanon that would enable Iran to deepen its roots, Al-Qaeda affiliates to rise up again in the chaos of civil war or financial economic collapse. That is our interest. And that is linked to the anti-corruption, because the only way you are going to be able to prevent the crisis is to be seen by the population, by investors, by those would be supporting Lebanon from outside, that you are starting to address the corruption. But our interest is to prevent that collapse in order to prevent the chaos that benefits others.

If there is an economic collapse in Lebanon, everybody hurts, but I think Hezbollah probably hurts a little bit less because of their own independent resources and things, and that is not in our interest. So, our interest is in anti-corruption more generally, but it is specifically linked to that desire not to see Lebanon collapse. And

that is where I think that the financial crisis gives us the opportunity to reinforce and amplify the voices on the street calling for the type of government that would have the credibility and confidence to start to tackle this.

As my colleague said, it is not going to be able to be rooted out overnight. But if you have a government that is seen as credible, competent, independent, you can start to attract the type of investment, the type of return of tourism and businesses that will buy time to allow those reforms to take place.

Mr. WILSON. Thank you.

Ms. Ghaddar.

Ms. GHADDAR. Thank you.

The general definition of corruption is, when political figures abuse the State's institutions and resources, and create followers instead of citizens. So, what the protests are about today is regaining citizenship and national identities rather than sectarian identities. And that is what the Lebanese are actually trying to do.

The moment they become citizens, they are no longer followers, then the corrupt system will be shaken. For example, that is how Iran took over the State institutions, because Hezbollah protected the cronies and, in return, they got their allegiance. So, the President today is Hezbollah's ally and his son-in-law, the Foreign Minister, is also Hezbollah's main ally, in addition to the Speaker. And it is not a coincidence that the three of them are actually the most corrupt politicians in Lebanon. So, basically, when you target corrupt politicians, you automatically and indirectly contain Hezbollah.

Mr. WILSON. Thank you very much to each of you.

Ms. YACOUBIAN. Could I add one point?

Mr. WILSON. Yes.

Ms. YACOUBIAN. I think one other issue that we have not discussed is the need for oversight and the fact that this is a system in Lebanon that is without any sort of oversight and any sort of accountability to citizens. So, even things as basic as demanding transparency with respect to government spending and ensuring that parliamentary votes are public and known, there are a number of practices that can be undertaken to begin to shine light, to begin to open up, to begin to allow for more transparency, which is the best antidote to corruption.

Mr. WILSON. Thank you.

Mr. DEUTCH. Again, thanks to all the witnesses.

Ambassador Feltman, public support for the Lebanese Armed Forces is soaring. Why is that the case? How are they perceived by the public? And what would be the consequences if our assistance to the LAF is significantly delayed or terminated?

Ambassador FELTMAN. Thank you.

I think I probably would use a different term today than I used in that piece I wrote a few weeks ago because the army's records since the initial days is a little bit more mixed. But I believe strongly that the FMF, the assistance that we have given to the Lebanese Armed Forces over the years, particularly in the increases after the 2006 war, is in our interest. This is not a gift to the Lebanese. This is something that is in our mutual interest, the partnership.

And it is also not unconditional. The improvements that I cited on their counterterrorism measures is directly related to the assistance, the training, the mentoring that we have given them.

As my colleague to my right said, the Lebanese Armed Forces is probably the No. 1 most respected institution in the country. That does not mean that it is above criticism. It does not mean it is a perfect institution. We have seen evidence, we have seen units in these protests that have performed very well protecting protestors in Beirut. We have seen them stand away/withdraw as thugs beat up protestors in Nabatieh in the south, as Ms. Ghaddar mentioned.

But the FMF gives us the ability to build the type of partnership, to continue to cultivate the type of partnership where we can have influence on how the Lebanese Armed Forces develops over the longer term. And we have seen that in counterterrorism already. Our message now should be we expect professional, equivalent treatment by the Lebanese Armed Forces of the protestors across the entire country.

But the most important thing is we are undermining Hezbollah's argument that only Hezbollah can protect Lebanon by helping the Lebanese build a credible national institution in which all Lebanese can be proud. It is undermining Hezbollah's narrative.

Hezbollah's rockets, as I said earlier, do not defend Lebanon. They put Lebanon at risk of war. The Lebanese Armed Forces is the long-term defense for Lebanon, and I think it is in our interest that we remain partners with them.

The other thing is, the Russians want to be there. The Russians will move into a vacuum if we aren't there. The Russians are already supporting General Haftar in Libya. The Russians are already deeply embedded in Syria. Do we really want the Russians to take over the entire Eastern Mediterranean? I would say no.

And that reinforces my point, let the FMF flow now, but flow with a message. Flow with a message about what we expect of the LAF performance during this tense time.

Mr. DEUTCH. I appreciate that, Ambassador Feltman, and I appreciate the impassioned plea. As we await response from the administration, I hope they are listening to you. The answer to your question is a resounding, no, we do not want Russia to have full control of yet another country in the region. And I hope that we will hear from the administration soon.

Let me finish with something that we have alluded to, the witnesses have alluded to, but I just want to address straight on. And, Ambassador Feltman, I am going to direct this to you, given your experience as a high-level official at the United Nations. And I wanted to just refer to a letter that was led by Congresswoman Luria, Congressman Zeldin, Congresswoman Stevens, and Congressman Waltz to the Secretary General about U.N. Security Council Resolution 1701.

The point, it has been 13 years now, and 1701 called upon the Lebanese government to extend its sovereignty over all of Lebanon and disarm all armed groups in Lebanon, so there will be no weapons or authority other than that of the Lebanese State. UNIFIL was called upon to enforce this. And 13 years later there are 150,000 rockets pointed at Israel and construction of massive terror tunnels recently discovered as well.

By any definition, this has been a failure. So, the question is, does it need to be reformed? Does the Lebanese government need more tools? How do you respond? This has been such a productive hearing about the need for us to support the protestors and strengthen the Lebanese government. And then, in southern Lebanon we have house after house after house housing rocket after rocket after rocket, 150,000, when there should be zero, when the Security Council spoke clearly that there should be zero. Do you have thoughts, Ambassador Feltman, on what can be done?

Ambassador FELTMAN I apologize if I sound cynical after my 6 years at the United Nations. But when I look at Security Council resolutions, I realize that the resolutions may have some value into establishing what is a theoretical objective. But if there is no political will for implementation, they count for little.

Look at the Libya arms embargo. The Libyan arms embargo was renewed unanimously in June. All 15 Security Council members supported it. And now, many Security Council members are actually shipping arms to warring parties.

Resolution 1701, and earlier 1559, which was a few years earlier, which called for the dismantlement of all Lebanese and non-Lebanese militias, also has not been implemented. There has been no political will demonstrated not only by the Lebanese, but by others on the Council to hold the Lebanese's feet to the fire.

There is a briefing on Monday at the Security Council. I thanks Ms. Ghaddar for telling me that this is on Monday. And I am sure that there will be lots of members that will ask the U.N. Special Coordinator about 1701. But it requires political will from the outside that this is not just important on the days when the Security Council is meeting; it is important every day. And it requires the Lebanese themselves to start understanding the risks that their country is under because of Hezbollah's weaponry.

And I think that that is something these protests have started to underscore. When you have the Shia starting to criticize Hezbollah, you have a whole new situation and a better opportunity to get this message across.

Mr. DEUTCH. I acknowledge, and I am not surprised by, your cynicism. I would just finish by pointing out, I mean, UNIFIL, it is important to remember is the United Nations Interim Force in Lebanon. This is not just a question of pass a resolution and hope things happen. There is a process put in place to do it. The process has failed. And as you point out, Ambassador Feltman—and you have now pointed out twice, and I appreciate it—Hezbollah's rockets do not defend Lebanon; they put Lebanon at risk of war. They put the entire country at risk of war. It is a really important point.

And you would like to make one more?

Ambassador FELTMAN Yes, if I may, Mr. Chairman, Mr. Ranking Member, make one more point on UNIFIL. I was Ambassador in Lebanon during old UNIFIL, pre-2006 UNIFIL, little UNIFIL. I was, then, Ambassador and Assistant Under-Secretary-General at the United Nations watching big UNIFIL.

And certainly, just like with the LAF, we could have a lot of questions on performance, on is UNIFIL or the LAF being aggressive enough in implementing its mandate. But there is something I want to point out. The type of operation that Hezbollah launched



in 2006, a very sophisticated operation where they used the Israeli military communications channels, they had what sounded like native Hebrew speakers sounding as though that they were Israeli soldiers talking. They went across the border into Israel and kidnapped and killed Israeli soldiers. That would be very difficult to pull off today because of larger UNIFIL.

UNIFIL is not perfect, but UNIFIL, by being in the south, has changed the rules of the game that I think reduce the risks of the accidental war. Before 2006, there was this regular back-and-forth between Israel and Hezbollah. Hezbollah, to show its resistance credentials, would have these ridiculous firing of mortars into unoccupied parts of Shebaa Farms, part of Syria that Israel occupied after the 1967 war. And Israel would respond by launching something into Lebanon, or vice versa. But there was always a risk that any of these could go haywire, that any of these could lead to a devastating war.

Because UNIFIL is so big and so present, even if they are not doing what you and I think they should be doing, they are preventing that type of accidental war.

Ms. GHADDAR. Can I say something about this?

Mr. DEUTCH. Yes, Ms. Ghaddar.

Ms. GHADDAR. I am from the south of Lebanon. I have lived there until I was 18. And things have changed drastically since then.

The Shia today joining the Lebanese and starting to criticize Hezbollah is not new. It has been going on since 2006, actually, and Hezbollah has been challenged by the Shia community for a very long time. This is new in terms of becoming public, and that is the main issue.

And one of my main arguments since then is that the rhetoric of the resistance is gone. The people do not want a war anymore. The Shia mainly do not want a war anymore. What they want is actually alternative economic plans.

Therefore, I always feel that one of the best ways to counter Hezbollah is to work with the Shia, not work with municipalities governed by Hezbollah. Today, the Shia are coming out and saying, "We are Lebanese citizens," and we need to hear that. We need to know that they really want to join the rest of Lebanon. Working with local municipalities is ineffective because these are governed by Hezbollah. Work with the Shia, the business community, the civil society. And that is what will challenge Hezbollah the most.

Mr. DEUTCH. And I appreciate it. I appreciate your insight very much. The fact that there has been so much discussion about the frustration with Hezbollah, the concern by Nasrallah about what is happening, is very hopeful.

This last point I raised because, even as we go through all the rest of this, standing with the people of Lebanon as they make these peaceful demands, there are still 150,000 rockets that I think it is fair for us to continue to worry about, whether in the context of a Security Council resolution or these broader conversations.

This has been an extraordinary hearing. I am grateful to all four of you for appearing with us today.

The members may have some additional questions which they will submit for the record. And I ask they submit any questions within five business days.

Mr. DEUTCH. And with that, and without objection, the meeting is adjourned.

[Whereupon, at 3:55 p.m., the subcommittee was adjourned.]

APPENDIX

**SUBCOMMITTEE HEARING NOTICE**  
**COMMITTEE ON FOREIGN AFFAIRS**  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515-6128

**Subcommittee on the Middle East, North Africa, and International Terrorism**

**Ted Deutch (D-FL), Chairman**

November 19, 2019

**TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS**

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held by the Subcommittee on the Middle East, North Africa, and International Terrorism in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at <https://foreignaffairs.house.gov/>):

**DATE:** Tuesday, November 19, 2019

**TIME:** 2:00 pm

**SUBJECT:** What's Next for Lebanon? Examining the Implications of Current Protests

**WITNESSES:** Ms. Carla E. Humud  
Analyst in Middle Eastern Affairs  
Congressional Research Service

Ms. Mona Yacoubian  
Senior Advisor for Syria, Middle East and North Africa  
United States Institute of Peace  
*(Former Deputy Assistant Administrator, Bureau on the Middle East, United States Agency for International Development)*

The Honorable Jeffrey Feltman  
John C. Whitehead Visiting Fellow in International Diplomacy  
Foreign Policy Program  
Brookings Institution  
*(Former Assistant Secretary of State for Near Eastern Affairs and Former United States Ambassador to Lebanon)*

Ms. Hanin Ghaddar  
Friedmann Visiting Fellow  
Geduld Program on Arab Politics  
The Washington Institute

**By Direction of the Chairman**

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

# COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON Middle East, North Africa, and International Terrorism HEARING

Day Tuesday Date 11/19/19 Room 2172

Starting Time 2:14 PM Ending Time 3:55 PM

Recesses 1 (2:39 P to 3:00 P) (\_\_\_\_ to \_\_\_\_) (\_\_\_\_ to \_\_\_\_) (\_\_\_\_ to \_\_\_\_) (\_\_\_\_ to \_\_\_\_)

Presiding Member(s)

*Chairman Theodore E. Deutch*

Check all of the following that apply:

Open Session ☒

Executive (closed) Session ☐

Televised ☒

Electronically Recorded (taped) ☒

Stenographic Record ☒

TITLE OF HEARING:

*What's Next for Lebanon? Examining the Implications of Current Protests*

SUBCOMMITTEE MEMBERS PRESENT:

*See Attached*

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an \* if they are not members of full committee.)

*Greg Pence, IN*

HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

*IFR - Rep. Steve Chabot*

TIME SCHEDULED TO RECONVENE \_\_\_\_\_

or

TIME ADJOURNED 3:55 PM

*Amin Ahmed*  
Subcommittee Staff Associate

# HOUSE COMMITTEE ON FOREIGN AFFAIRS

## SUBCOMMITTEE HEARING

### SUBCOMMITTEE ON THE MIDDLE EAST, NORTH AFRICA, AND INTERNATIONAL TERRORISM

<i>PRESENT</i>	<i>MEMBER</i>
X	Theodore E. Deutch, FL
	Gerald E. Connolly, VA
	David Cicilline, RI
	Ted Lieu, CA
	Colin Allred, TX
X	Tom Malinowski, NJ
	David Trone, MA
X	Brad Sherman, CA
X	William Keating, MA
X	Juan Vargas, CA

<i>PRESENT</i>	<i>MEMBER</i>
X	Joe Wilson, SC
X	Steve Chabot, OH
	Adam Kinzinger, IL
X	Lee Zeldin, NY
	Brian J. Mast, FL
	Brian K. Fitzpatrick, PA
	Guy Reschenthaler, PA
X	Steve Watkins, KS

## INFORMATION FOR THE RECORD



LEBANESE INFORMATION CENTER

**2019 Lebanon Protests  
LIC Policy Paper**

November 19, 2019

**Background**

- Since its outbreak on October 17, 2019, an estimated 1 Million Lebanese took to the streets across major cities throughout Lebanon, protesting in a peaceful way and calling out Government corruption, repression, inequality, and austerity.
- Citizens from all cities, regions, different confessions, different political affiliations and backgrounds have been protesting nonstop, day and night, demanding the departure of the current government.
- To show solidarity with their brethren, thousands of Lebanese around the world including in the United States have organized protests in almost every major city on the globe.
- Protesters are demanding the departure of their current government because of the lack of policies to fix the major economic problems facing the country<sup>1</sup>. Lebanon has been suffering from these issues for years, and is now bordering an economic meltdown; compounded by successive degrading of its credit rating, namely CCC by Fitch<sup>2</sup> in August 2019 and down to CAA2 from CAA1 by Moody's on November 7, 2019.
- Lebanon may have the largest deficit of any other country in the world, 12% of GDP in 2019. Its public debt, estimated to be near \$100B or 155% of GDP, could be the highest in the world while its GDP growth is 0%-1%. The unemployment rate is between 20% to 40%, public services and infrastructure are among the worst in the world. Electricity alone is 45% of the debt. Government spending is estimated at 23% of GDP while its ports of entry allow an estimated \$1.2B of uncollected and evaded taxes. Most government agencies are so inefficient that they cost millions of dollars in waste annually. Last but not least, corruption is so rampant that it causes waste reaching 45% of GDP, at the rate of \$10B per year, while the transparency index places Lebanon near the bottom of the list.
- For the past 3 years since President Michel Aoun was elected, the current Lebanese Government has been operating based on a compromise between Sunni Prime Minister Saad Hariri, the Christian President and his son-in-law and Minister of Foreign Affairs Gebran Bassil, Hezbollah's prime ally, with the radical Shiite militia of Hezbollah.
- The one major demand that is widely adopted by all protesters is to replace currently resigned cabinet by individuals who are professionals in their fields and have a considerable proven track

<sup>1</sup> [A long-feared currency crisis has begun to bite in Lebanon. The Worse is still to come, The Economist, October 9, 2019](#)

<sup>2</sup> [Lebanese government says committed to reforms after rating downgrade, Reuters, August 24, 2019](#)

records of accomplishments. These "technocrats" are expected to be non-partisan and shall focus solely on resolving the country's economic crisis.

#### **Current Situation**

- In a response to the protests, the Lebanese Government has not presented any solution that met the protesters demands, nor that addressed the economic crisis.
- As a result, The Lebanese Forces which is the major Christian party resigned from the Government. The LF party became the lonely voice in the government to expose rampant corruption and wasteful spending.
- Then after 13 days of protests, PM Hariri resigned, citing 'dead end' for a political solution to stop the deterioration of the economy. Hariri's resignation forces Lebanon to form a new government after mandatory Parliament consultations with President Aoun.
- Both FPM's Gebran Bassil and Hezbollah started negotiations with government caretaker PM Hariri to accept leading the formation of the new Government, but only under their terms, i.e. to maintain the status quo ante.
- But with more than 3 weeks into Hariri's resignation, President Aoun still has not called for mandatory consultations, per the constitution. Early and tenuous negotiations have failed to land a new Government because Hezbollah/Bassil are unwilling to change its composition. PM Hariri is insisting on a technocrat-style government.
- As it stands now, Lebanon is confronted with mounting economic pressure, deadlock at the state institutions level, relentless and unwavering revolution by protesters in the streets, all with the looming likely scenario of a full collapse of Lebanon.

#### **Lebanese Armed Forces (LAF)**

- LAF and ISF were for the most part benign vis-a-vis demonstrators.
- LAF Commander Joseph Aoun has stated his commitment to the protection and safety of protesters and his adherence to international norms in terms of freedoms of expression and movement.

#### **US Policy Recommendations**

1. Engage International financial institutions to develop an emergency financial package that would be conditioned on appropriate and necessary financial reforms in a timely manner, along with transparency and budget oversight
2. The US should maintain its economic assistance to Lebanon to help the country offset the cost burden of the refugees
3. The US should unfreeze the \$105M in Security Assistance to the LAF, the most respected and reputable state institutions in Lebanon

**Conclusion**

The US which has always supported the freedom, independence, and sovereignty of a democratic Lebanon, should stand by the rights of the people to freely express themselves and should prevent Lebanon from falling as a defunct state and to help put Lebanon on its economic recovery via desperately needed economic reform and corruption deterrence.

-END-

